

DEPARTMENT OF THE TREASURY AUCTION

**PARC RIVIERA APARTMENTS
5130-5222 BELMONT AVENUE
DALLAS, TEXAS 75206
IRS2004-7406-50001-01-001**

Auction Date: April 28, 2005

Auction Location: Hilton Dallas Lincoln Centre
5410 LBJ Freeway
Dallas, TX 75240-6276

Auction Time: 12:00 Noon

Registration: 11:00 AM to 12:00 Noon

Property Inspection: April 17 and 24
12:00 noon to 4:00 p.m.

Deposit: \$50,000 cashier's check on auction day
(made payable to EG&G Tech Svcs, Inc.)

The balance of 10% of the purchase price is due within three (3) business days of the auction day.

Closing: Within 45 days of the auction day.

Important Note:

The information contained in this Detailed Information Package (DIP) and other documents for review is provided to assist potential bidders in performing their own due diligence and analysis of the property. Property data is for the internal use of the bidder and is not intended to be the sole source of information. Bidders should rely on their own thorough analysis to determine the value of the property and the property's condition. The Government does not provide appraised values, therefore any reference to value in the enclosed documents has been redacted. The property is being sold "as is". No representations or warranties are made on the content, accuracy, and completeness of the information in this package.

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Property Identification and History



The Subject Property

Location

The subject of this appraisal is located at 5130-5222 Belmont Avenue, in the city of Dallas, Dallas County, Texas.

Property Type

The subject property consists of an existing 84 unit apartment property together with an underlying land area of 112,250 square feet, or 2.577 acres, and miscellaneous site improvements.

Brief Legal Description

According to the Dallas Central Appraisal District (DCAD) the subject is briefly legally described as a 2.577 acre tract, being Lots 3-7 and part of Lot 8, Block C/1993, Bon View Place, an addition to the city of Dallas, Dallas County, Texas.

Summary of Salient Data

Location

Census Tract: 9
Mapscot: Dallas-35-V

Property Description

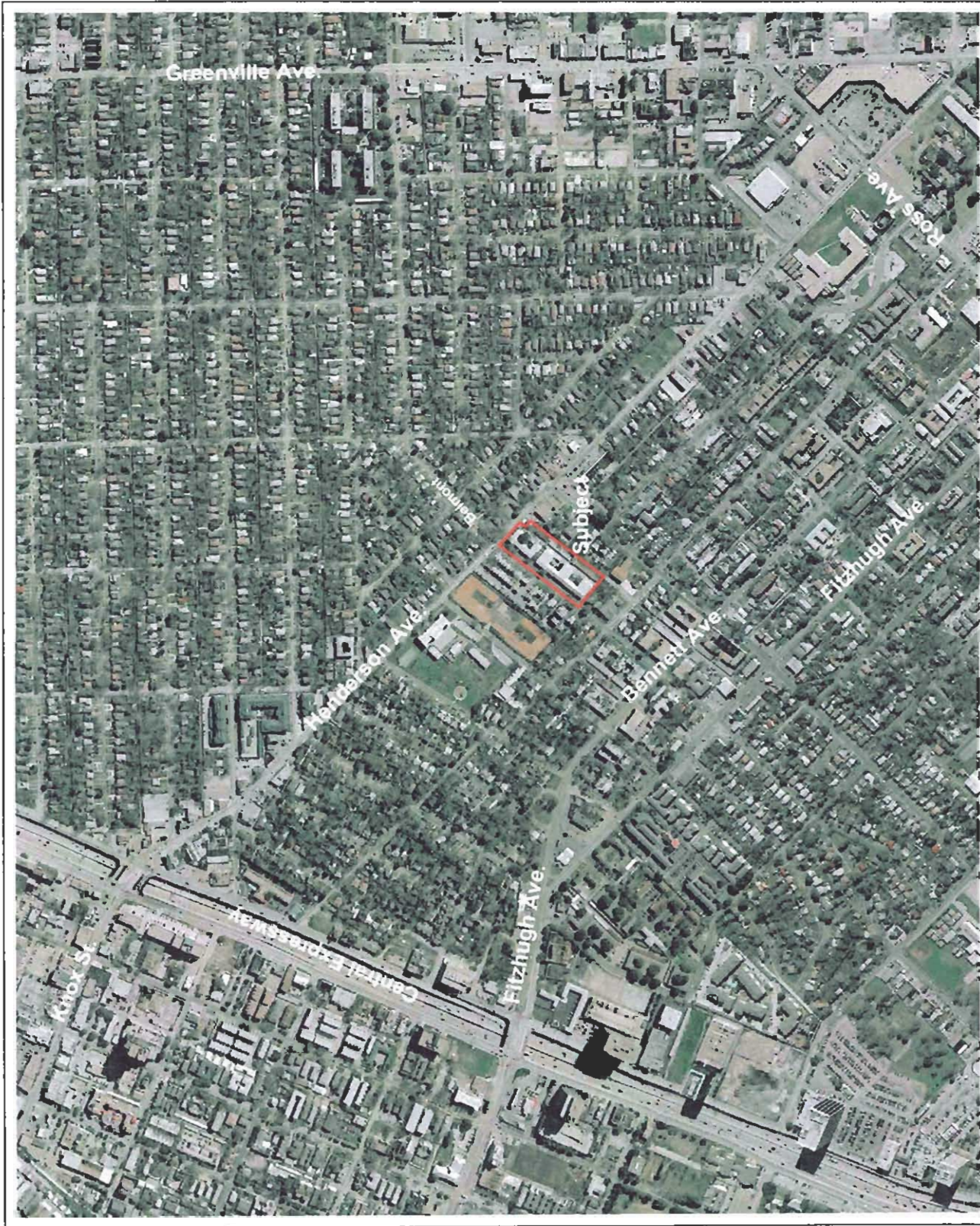
Underlying Land: 112,250 s.f. or 2.577 acres
Number of Units: 84
Year Built: 1962-1963
Gross Area in Square Feet: 69,398 s.f.
Net Rentable Square Feet: 69,054 s.f.
Average Unit Size: 751 s.f.
Construction: Typical 2 story Class D wood frame
Parking: 140 total (80 covered)

Zoning: Multi-family – MF-2(A)

Annual Taxes: \$43,953 (2004)

Traffic Count: 14,288 per Dallas Transportation
Department for Henderson between
North Central Expressway (U.S.75) and
Capitol Avenue

Ownership History: IRS assumed management October 3, 2003.
The property was forfeited to the U.S.
Government on January 7, 2004 as part of a
forfeiture agreement with Jose and Martha
Ayala. The Ayalas acquired the property in
1996 and owned the property continuously
since then until the USA became the
property owner.



Aerial Photograph

Site Analysis

Location

The subject of this appraisal is located at the south corner of Henderson and Belmont Avenues, in the east central portion of the city of Dallas in the Knox/Henderson area. A traffic light is located at this intersection.

Size and Shape

We were not furnished with a boundary survey or metes and bounds legal description of the subject site so we have obtained the land area from the Dallas Central Appraisal District (DCAD) records. DCAD indicates the land area as containing 112,250 square feet or 2.577 acres. The site is rectangle in shape with a cutout at the east corner. According to DCAD records we estimate that the site has approximately 600 feet of linear frontage along the southeast side of Belmont Avenue and approximately 145 feet of linear frontage along the southwest side of Henderson Avenue. Except for the cutout at the east corner, the site is approximately 195 feet deep. It also has approximately 500 feet of linear frontage on, but no current access to an alley along its southeast border. Alley access is currently precluded by an eight foot chain link fence that runs the length of the property. Although a gate exists it is padlocked and does not appear to be regularly used.

Access

General access to the site is good via several neighborhood thoroughfares including Henderson Avenue, Belmont Avenue, Fitzhugh Avenue, Capitol Street and others.

Immediate site access is also good via the extensive street frontage on two public streets. With the current site configuration, there is one point of ingress/egress on Henderson Avenue and another on Belmont Avenue, essentially affording access from opposite ends of the property.

Advertising and Display Amenities

Due to the frontage on Henderson Avenue, the more heavily trafficked frontage street with an average daily traffic count of 14,288, the visibility is good and therefore advertising capabilities are considered good.

Surrounding Properties

The subject is surrounded by residential development. The primary residential development northeast of Henderson Avenue is single family detached homes. The development southwest of Henderson Avenue, where the subject is located, is a combination of single and multi-family developments. Retail strip centers are located along Henderson Avenue southeast of the subject. The east corner cutout mentioned previously contains a single family dwelling. Development directly across Belmont Avenue is an apartment development with one or two single family dwellings interspersed. At the subject's southwest border are two single family dwellings followed by a small church located at the east corner of Belmont and Garrett Avenues. Across the alley, at the rear of the property is a combination of single and multi-family developments. This has been the development character of the immediate subject neighborhood for many years and it appears that homogeneity is alive and well despite the diversity.

Pockets of new multi-family development have occurred within the neighborhood. The most proximate example is the Phoenix Property Company's 150 unit, three story Easton on Henderson apartment development. It is located at the south corner of Henderson and Manett Avenues, one block northwest of the subject. The development density is 50.6 units per acre as compared with older densities that are typically in the mid-30 units per acre. Parking is via a structured, on site garage that is gated for security. Exterior materials are a combination of various masonry materials. The overall appearance of the development is upscale and is typical of the new, high density urban garden apartment complexes in the area. Tenant profile is typically young single professionals.

Utilities

The subject site is served with city of Dallas water and sewer services, and TXU provides electric and natural gas service. Phone service is by private vendor.

Zoning and Easements

The subject is zoned "MF-2(A)" (Multi-family) by the city of Dallas. The MF-2(A) district is composed mainly of areas containing mixtures of single family, duplex, and multifamily dwellings and certain uniformly developed multifamily dwelling sections. Additional information on the subject's zoning is found in the *Zoning and Deed Restrictions* section.

Topography and Soils

A soil survey of the subject property was not furnished to us for this appraisal, therefore, we are unable to guarantee the soil content of the site or the suitability of the soils for any one purpose. The site slopes slightly toward both the southwest and the southeast. Although we did not observe the property during heavy rains, the site slope appears to be adequate to handle typical rain run off. The site is at grade along both frontage streets.

Flood Plain

According FEMA map 48113C 0345 J, dated August 23, 2001, the subject site is not with a flood plain.

Nuisances and Hazards

No nuisances or hazards such as smog, fog, noise, vibrations, odors, air or water pollution, waste dumps, or others were readily apparent during the investigation of the subject property. *It was reported that the insulation wrap on the circulating hot water systems and the water pipes in the HVAC systems could contain asbestos material but we have no confirmation either way.* An environmental survey or other such report on the property has not been provided for this appraisal, nor are appraisers typically qualified to make determinations regarding the presence of environmental hazards on any given site. Value conclusions contained in this appraisal are based on the assumption that no environmental hazards exist on the subject property, unless otherwise noted and readily apparent.

Site Improvements

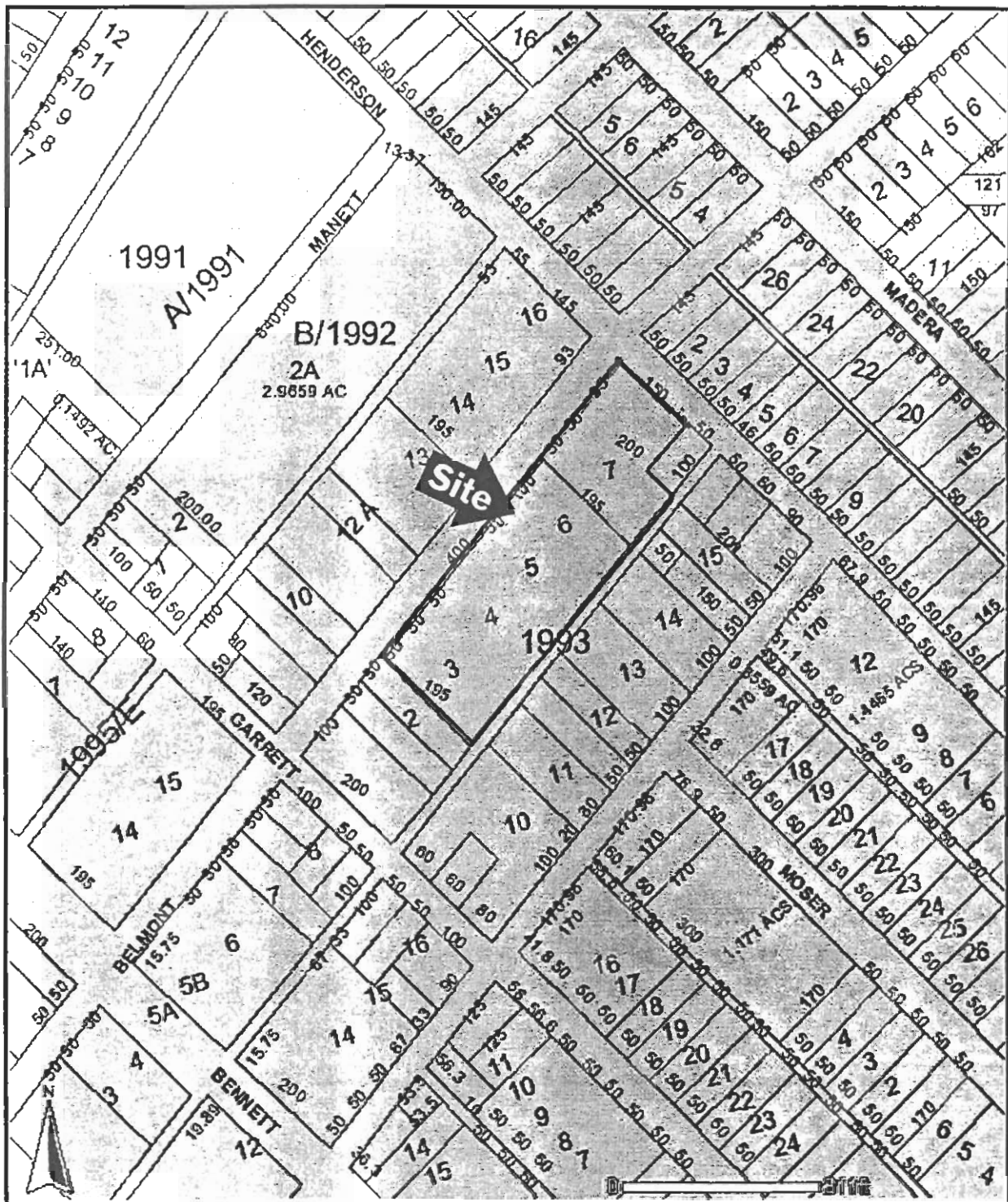
Site improvements include paved walks and drive/parking areas. Landscaping is minimal and there is no sprinkler/irrigation system. Although several mature Live Oak trees grow on the property they do not appear to have been trimmed recently. An eight foot high chain link fence with three strands of barbed wire runs along the southeast property line (the rear of the property). Fencing also exists along the northeast and southwest property lines. Two former swimming pools have been filled in.

There are approximately 140 marked parking spaces on site, with 80 of those under cover. The covered spaces are in the form of open carports. The spaces are arranged in tandem, meaning that for each parking bay there is one fore and one aft space. This necessitates moving the rear vehicle from its space to allow the front vehicle to exit. Unless one bay (two spaces) is assigned to a specific unit, this arrangement is not very functional and is not typical in this market. Because of the site development layout, it appears that there is not enough land to re-stripe parking spaces and still

have the ratio required by zoning. Thus, this might not be a curable issue. We consider that this essentially adds to the effective age of the property.

Conclusions

The site is well suited for multi-family development due to its overall size and extensive street frontage. The property's current zoning allows multi-family development.



**Dallas Central
Appraisal District**
www.dallascad.org

DISCLAIMER

The Dallas Central Appraisal District does not control or guarantee the accuracy, relevancy, timeliness or completeness of this data. DCAD assumes no legal responsibilities for the information represented on this map. Users should independently verify the data on this map before making any conclusions based on this data.

Description of the Improvements

The Parc Riviera Apartments is an existing 84 unit two story garden apartment complex. According to the former owner the improvements were built in two phases in 1962 and 1963. The first phase (1962) consists of the 24 unit, three building portion that is situated at the south corner of Henderson and Belmont Avenues. The address of this phase is 5222 Belmont Avenue. The second phase (1963) consists of the 60 unit, eight building portion immediately southwest of phase one. The address of this phase is 5130 Belmont Avenue. Although the two properties have been operated as one for years, they are separate developments, each with its own incoming electric service, HVAC and hot water systems. All of the buildings in the first phase are tied together via an integrated roof system that connects all three buildings. The same situation exists with the second phase, but neither phase is physically connected to or dependent on the other. Thus, it is possible that each phase could operate independent of the other. For purposes of this appraisal we will describe some of the differences in the phases regarding unit types, but, for the most part, we will describe and consider the property as one integrated operating entity.

No building plans or specifications were available for the property. Building and unit sizes, as well as the physical condition of the property will heavily rely on a property inspection report dated October 13, 2003, performed by Associated Building Consultants, a professional building inspection company. We have read Associated's report and have spotchecked various descriptions and building areas as noted in the report during our inspection of the property. Although some deferred maintenance repairs have been performed between Associated's inspection date and our own, the overall condition of the property appears to essentially be very similar to its condition as noted in their October 2003 report. We have adopted Associated's building areas for use in this report and consider their report to be included herein by reference, as the client for both assignments is the same, and thus, information from both reports is assumed to be known by the client.

It is noted that the current operator of the property does not use the unit sizes as noted in the Associated report. It is our opinion that the unit sizes in the Associated report more accurately represent the unit configuration of the subject property and we will therefore use those unit sizes in our report.

Property Summary

Underlying Land Area:	112,250 s.f. or 2.577 acres
Number of Units:	84
Number of Buildings:	8 residential buildings, 3 accessory buildings
Building Areas	
Net Rentable Area -Apartments:	63,054 s.f.
Gross Building Area - Apartments:	67,984 s.f.
Manager's Office/Maintenance:	342 s.f.
Laundry/Mechanical Buildings:	1,072 s.f.
Gross Building Area:	69,398 square feet
Building Height:	2 stories

Basic Construction:	Class D wood frame
Average Unit Size:	751 square feet
Parking Spaces:	140*
Land to Building Ratio:	1.62 to 1
Units per Acre:	32.6

*According to an on-site appraiser count. Count should be considered approximate as some spaces were not clearly marked. There appear to be more than the number of marked spaces but we could only confirm this number. About 80 spaces are under carports. Covered spaces are tandem (i.e., one car behind another, with only one point of access to the two spaces)

Property Description, Amenities, and Units

The subject Parc Riviera Apartments consist of an 84 unit garden type apartment complex, typical of those found in the East Dallas sub-market. Basic construction consists of eight two story residential buildings. Construction type is Class D wood frame with brick exterior walls, wood trim, pitched roofs with composition shingles, and concrete pier and beam foundations. The buildings are laid out on the site in "U" shapes, resulting in courtyards that face the rear of the property. The management/maintenance office is at the rear of the property as are the two laundry/mechanical buildings, which contain a total of eight washers and four dryers. Most of the parking is also at the rear of the property. This layout is typical of many apartment properties that were developed during the 1960s. The site has two points of ingress/egress. The property has not been well maintained and significant deferred maintenance was observed during our inspection.

Unit Descriptions

A total of six unit styles are included in the apartment complex. The unit mix includes three one bedroom styles and three two bedroom styles. All of the units are flats. Unit sizes range from 495 square feet to 885 square feet. Average unit size is 751 square feet.

The basic unit has a living area, kitchen, one or two bedrooms with one or two full baths. None of the units have fireplaces or washer/dryer connections. The kitchens have a refrigerator, natural gas oven/range, and updraft vent hoods. None of the units have dishwashers or garbage disposers. We were told that all of the units have smoke detectors in the hall leading to the bedroom(s) and one in each bedroom. We observed functioning smoke alarms in the units we inspected. Access to the property is open except at the rear and sides of the property where fences exist.

The number, size and style of all of the units is summarized on the following page.

Unit Mix - Parc Riviera Apartments				
Unit Type/Style	Number	Percent of Total	Unit Size in S.F.	Total S.F.
A1 - 1 Bedroom, 1 Bath (Phase 1)	2	2.4%	495	990
A2 - 1 Bedroom, 1 Bath (Phase 2)	12	14.3%	558	6,696
A3 - 1 Bedroom, 1 Bath (Phase 2)	24	28.6%	667	16,008
B1 - 2 Bedroom, 2 Bath (Phase 1)	16	19.0%	810	12,960
B2 - 2 Bedroom, 2 Bath (Phase 1)	6	7.1%	860	5,160
B3 - 2 Bedroom, 2 Bath (Phase 2)	24	28.6%	885	21,240
Totals:	84	100.0%		63,054

Forty five percent of the units are one bedroom one bath and 55% are two bedroom two bath. Average unit size is 751 square feet.

Common Area Amenities

Common area amenities include a management office, two laundry rooms and about 80 covered parking spaces.

Construction

Basic construction consists of eight two story Class D wood frame buildings, with brick exterior walls, concrete perimeter beams and interior piers, and pitched roofs with composition shingles.

Structural Summary

Foundations:	Concrete perimeter beams and interior piers.
Framing:	Conventional wood 2 x 4 studs.
Roof:	Pitched roofs. Composition shingles over plywood decking and wood framing.
Exterior Walls:	Brick exterior walls with wood siding accents.

Vertical Access:	Stairs are centrally located in several places in each building. They are steel framed with pre-poured concrete treads.
Interior Walls/Ceilings:	Interior walls consist of sheetrock over wood studs. Walls and ceilings are covered with textured paint.
Windows:	Aluminum frames.
Doors:	Interior doors are hollow core wood. Exterior entry doors are solid wood.
Flooring:	The floor structure on the first floor consists of plywood resting on wood floor joists resting on wood girders which rest on the perimeter beams and interior piers; the second floors are assumed to be lightweight concrete. Floors in the units are carpeted in the living areas and vinyl coverings in the kitchen and baths.
Plumbing:	Assumed to conform to building code.
Bathrooms:	Built-in tub and shower combination with ceramic tile, sink and toilet.
Kitchens:	Kitchens are equipped with site-built cabinets and laminate countertops. Appliances include refrigerator, natural gas combination range/oven and updraft vent hood.
Electrical:	Assumed to conform to building code.
Heating and Cooling:	HVAC systems are centrally located, two-pipe systems using heated and chilled water. Water is heated by gas fired boilers.
Hot Water:	Hot water is provided to the units via central, gas-fired boilers which feature continuous water circulation throughout the complex.
Fire Sprinklers:	None.
Smoke Detectors:	In each bedroom hall and each bedroom.

Overall construction quality appears to be average, based on our inspection of the property. However, due to what appears to be long-standing neglect, the property's physical condition is rated poor and evidence of significant deferred maintenance was observed during our inspection.

Age and Condition

The property is an existing multi-family property that was built in 1962 and 1963. The property suffers from significant deferred maintenance and therefore it's effective age is older than it's actual age. The style and design of the complex is typical for its era and no material functional obsolescence was observed *with the exception of the tandem parking spaces, which are not typical*. There is no significant external obsolescence.

Deferred Maintenance: As noted previously it is recommended that the reader consult the Associated Building Consultants October 13, 2003 property inspection report (which contains 40 pages plus exhibits) of the Parc Riviera Apartments for full details and extent of the deferred maintenance items. For our report we have summarized the issues noted in the Associated report as follows.

1. Plumbing: Significant incidence of plumbing leaks in many areas of the property. Most noticeable in crawl spaces under ground floor units. Some crawl spaces are noted to be saturated with moisture. It is possible that significant portions of the plumbing (perhaps all?) would need replacement to adequately end the leaking issues. The plumbing system was reported as being in overall poor condition and in need of extensive repairs.
2. Wood flooring system: Due to the extensive plumbing leaks some bathroom floors, floor joists and in some instances, even the floor girders have rotted due to the constant moisture. All plumbing leaks must be cured to stop the constant moisture before any floor system repairs are initiated.
3. Mold: Also due to the plumbing leaks. Extensive areas of mold exist because of the moisture. The leaks must be repaired before the mold issue can be addressed. Constantly moist conditions tend to draw vermin and certain insects that are detrimental to human health. This poses a potentially unsafe condition.
4. Windows: A significant number of cracked or broken windows. Some are taped, others have panes replaced with plastic.
5. Unit doors: Some unit entry doors do not seem to properly fit and are in need of replacement.

6. Carpet: All observed carpet is filthy and in need of replacement.
7. Kitchen appliances: Some observed units do not have a refrigerator or oven/range in place. Judging by the probable age and condition of kitchen appliances that were in place many of the property's kitchen appliances are in need of replacement. The updraft vent hoods vent through the roof via metal vent pipes. We suspect that many of the pipe connections have broken over the years. If this is true, vent hoods are venting into the attics, causing a possible fire hazard. This poses a potentially unsafe condition. All vent hoods should be replaced with recirculating hoods that use charcoal filters.
8. Bathroom fixtures: The poor condition of many bathroom sinks, tubs, toilets and ceramic tile indicates the necessity of replacement of an unknown number of these items.
9. Upper walkways: Many of the upper walkway surfaces are in need of repair to the concrete topping. In some cases it will require the removal of existing material and pouring new material. The many existing cracks and holes pose a potentially unsafe condition to pedestrians.
10. Upper walkway support: Several support poles are missing. Others have been replaced with smaller poles than the originals. Still others are mounted to top wood pieces that are rotten and essentially provide no actual support anchor. This poses a potentially unsafe condition.
11. Roof coverings: All roof shingles need to be replaced. It appears that one roof has been placed on top of an original one, which is an accepted way of laying new shingles, but two layers is the limit. Typically replacing shingles in instances like this require that both layers of shingles be removed, and everything taken back to the roof decking. Once bare a contractor can tell what decking (if any) should be replaced. With the wood rot observed along the fascia and soffits it seems probable that some decking will need to be replaced.
12. Gutters and downspouts: The entire system needs to be replaced.
13. Wood trim: Much of the observed wood trim around the property suffers from wood rot and needs to be replaced. When wood rot is as extensive as it is at the subject, it is probable that additional areas that we could not observe will also need replacing.
14. Paving: Several areas need repaving. In some areas patching or top-coating will be sufficient to repair the damage but in other areas the only cure is replacement. This includes walks and drives.
15. Landscaping: Includes tree trimming, planting grass, etc.
16. HVAC systems: One of the boilers is reportedly in need of servicing. Various water leaks exist in the system, mostly inside the apartment units where pipes connect with the individual air handling units. All observed air handling units were filthy and it is assumed that most air

handling units need to be thoroughly cleaned. It is probable that many do not work and need to be replaced.

17. Attic firewalls: Reportedly the existing firewalls are inadequate and pose a potentially unsafe condition.
18. Electrical: No ground fault circuit interrupter protection was noted in any of the observed units. This poses a potentially unsafe condition.

Condition of Short-lived Items: Generally poor.

Condition of Long-lived Items: Mixed. Foundations and exterior walls - reported by Associated Building Consultants to generally be in average condition; interior walls and framing - reported as some being in average condition and some being in poor condition due to numerous plumbing leaks; roof coverings reported as poor and in need of replacement, and some portions of either roof decking or roof framing in need of repair. The paving is in poor condition in some areas.

Year of Construction: The 24 units at 5222 Belmont Avenue were constructed in 1962 and the 60 units at 5130 Belmont Avenue were constructed in 1963.

Actual Age: 42 years blended.

Economic Life: Only a few apartment buildings that were built during the mid 1940s remain in the area. Those that remain are in the 55 to 60 year old range. Since their numbers are few, we consider the practical economic life of apartment buildings in this sub-market to be 55 to 60 years. For this report we will use 55 years because of the existence of only a few of the buildings that were built in the mid 1940s.

Effective Age: We have no supporting data that indicates how much the effective age is affected by deferred maintenance and the tandem covered parking issue but the significant amount of deferred maintenance present at the subject property along with the parking situation probably increases its effective age by 25% - 30%, or, in the case of the subject, to 53 years - 55 years. It is our opinion that the property can only operate in its current condition for another year or so and therefore we estimate the effective age at 54 years.

Remaining Economic Life: Since the economic life of a property is the period over which improvements to real property contribute to property value, the remaining economic life concept

should assume that a property has been typically maintained. The presence and nature of significant deferred maintenance, if not repaired, can dramatically shorten the remaining useful life of a property. For example, if the subject's deferred maintenance is not cured it is initially assumed that it would have a remaining economic life of 7 years (55 years - 48 years). However, the significant plumbing leaks at the subject have already rotted some localized structural flooring members and the moisture from the leaks have produced areas of mold. These conditions will accelerate the demise of the property long before 7 years has passed. Although we have no way of truly knowing the remaining economic life if the deferred maintenance is not cured, we estimate it at no more than 3 to 5 years. If the deferred maintenance is cured the actual and effective ages would be similar, and the remaining economic life, assuming a continuation of normal maintenance and repairs, would be 13 years (55 years - 42 years).

Americans With Disabilities Act (ADA) Compliance: The Americans with Disabilities Act (ADA) became effective January 26, 1992. Among others, this act requires that public buildings and places of employment take measures to provide access to persons with a disability from public sidewalks, parking, or public transportation; provide access to those areas of a place of public accommodation where goods and services are made available to the public; and, provide access to restroom facilities. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA, nor am we qualified to do so. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property, other than that detailed as follows.

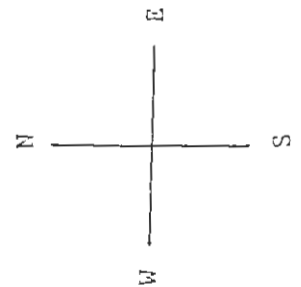
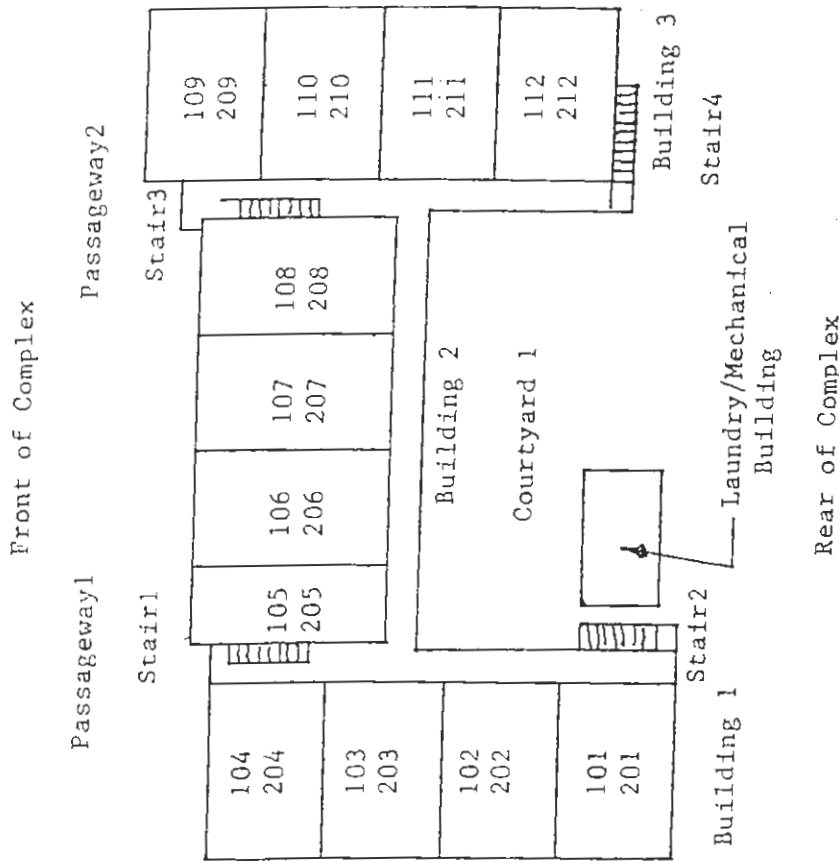
Functional Utility: With the exception of the functionally obsolete tandem parking issue, the subject property is a garden apartment development with typical design features found in the Dallas area for multi-family properties built during the 1960s. It appears that there is not enough land to re-stripe parking spaces and still have the ratio required by zoning. Thus, parking might not be a curable issue. We consider that this essentially adds to the effective age of the property.

Conclusions

The subject property consists of an existing 84 unit apartment complex that is located in the East Dallas sub-market. Basic construction consists of eight Class D wood frame residential buildings, with a density of 32.6 units per acre. There are six different unit styles ranging in size from a 495 square foot one bedroom unit to an 885 square foot two bedroom unit. Average unit size is 751 square feet. The subject property appears to have been an average quality project that has suffered significant deferred maintenance over an extended period. Because of its poor physical condition it is not competitive with normally maintained multi-family properties with which it would otherwise compete.

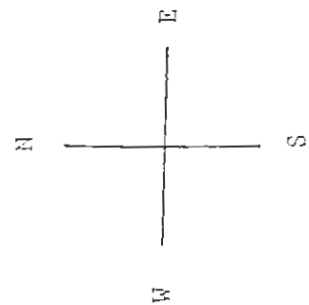
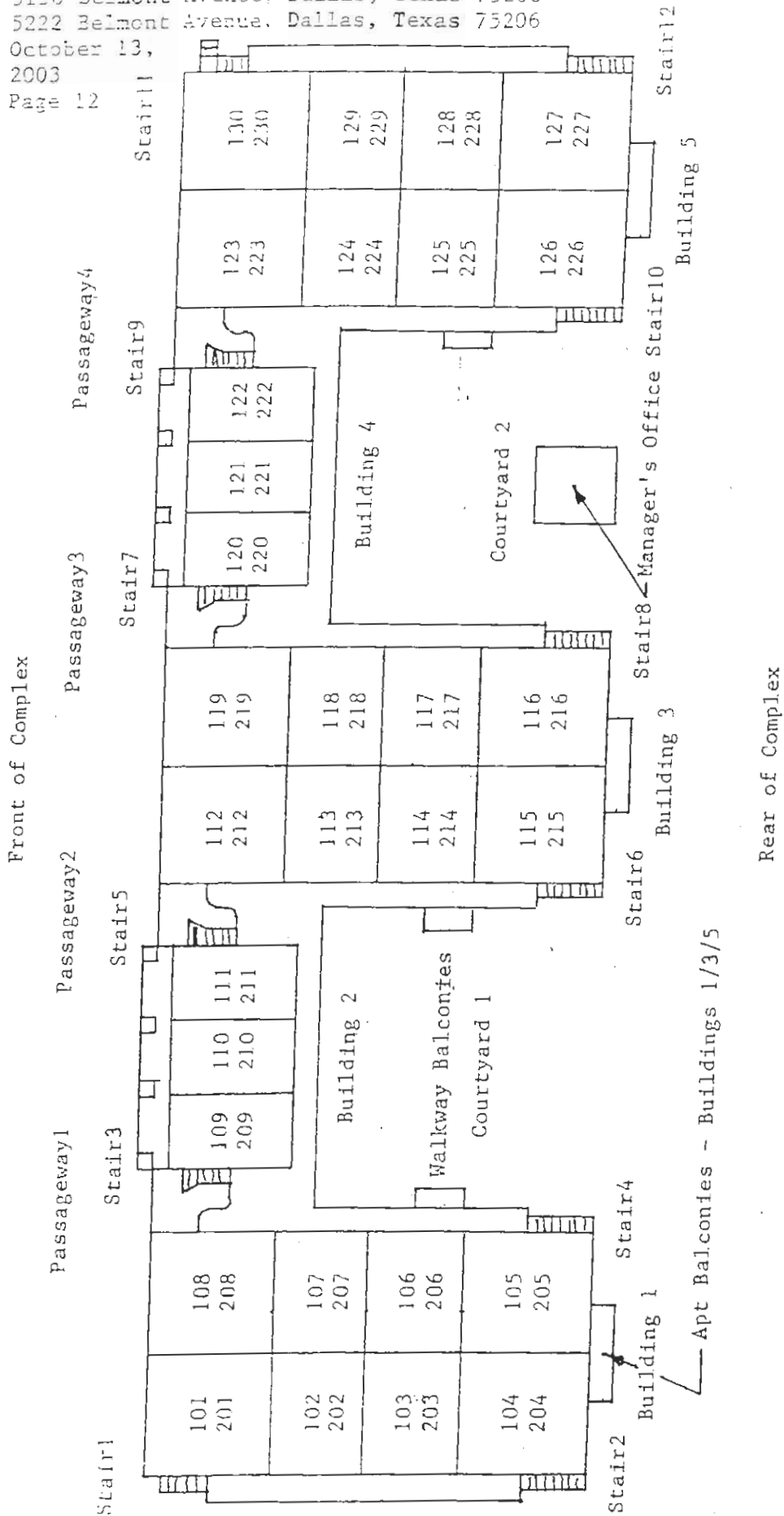
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COMPLEX 2



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 2003
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COMPLEX 1



Associated Building Consultants



✓ Real Estate Inspections
✓ Foundation and Drainage Consultants

P.O. BOX 429 • CARROLLTON, TEXAS 75006 • TEL 972-416-6081 • FAX 972-416-7162

LICENSED AND BONDED RESIDENTIAL AND COMMERCIAL INSPECTION CONSULTANTS

PROPERTY EVALUATION REPORT

Report Date: October 13, 2003

Client: EG&G Technical Services
U.S. Department of the Treasury
Seized Real Property Support
Attention: Mark Reum
1817 Mia Drive
Crest Hill, Illinois 60435

Management Contact: Ebby Halliday Realtors
Leasing and Property Management
Attention: Mary Vlamides
4455 Sigma Road
Dallas, Texas 75244

Property Addresses: Multi-Family Apartment Complex 1
5130 Belmont Avenue
Dallas, Texas 75206

and

Multi-Family Apartment Complex 2
5222 Belmont Avenue
Dallas, Texas 75206

SCOPE OF THE EVALUATION

The following report is the result of an evaluation of the condition of the Structural, Mechanical, and Electrical facilities of the above referenced properties. As it relates to the structure of the building, the report is the result of an evaluation of the condition of the foundation and structure and roof, based solely on visual observation of representative elements of its structure, without any tests, nor removal of any portions of the finishing materials. As it relates to the mechanical and electrical components of the building, the report is the result of an evaluation of the condition of the various listed systems, equipment, and appliances, based solely on visual observation and normal operation procedures, without any tests, nor dismantle of any equipment or controls. The report contains our observations, conclusions, and recommendations, prepared exclusively for your use. The professional opinions expressed are based on information available at the time of the evaluation. Although foundation and structurally related items may be identified and discussed, this report should not be construed as an attempt to design or redesign any of its components. No warranty or guarantee is stated or implied as to the present or future performance of this structure, nor to any mechanical and electrical components therein.

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The evaluation was made during visits to the site on October 6, 7, 8, and 10 of this year.

Various components included in this report are as follows:

- (1) Description of the Property
- (2) Location and Description of the Apartment Units
- (3) Foundation and Structure
- (4) Building Planning
- (5) Passageways, Stairways, Walkways, and Balconies
- (6) Roof and Roof Structure and Attic
- (7) Drainage and Sitework
- (8) Heating and Cooling Systems
- (9) Water Heating Equipment
- (10) Plumbing Systems and Fixtures
- (11) Kitchen Appliances
- (12) Electrical Systems

Items not covered under the scope of work to be performed are as follows:

- (1) Geotechnical Soils Testing and Evaluation
- (2) Environmental Testing and Evaluation
- (3) Elevation or Plat Surveys

It is noted that no as-built drawings or other related documents were available for review.

DESCRIPTION OF THE PROPERTY

There are 2 multi-family apartment complexes included in this report - Complex 1 is located at 5130 Belmont Avenue, Dallas, Texas 75206 - Complex 2 is located at 5222 Belmont Avenue, Dallas, Texas 75206. These complexes are built side-by-side and have similar visual appearances but are totally separate as to their structural, mechanical, and electrical facilities. While this report will address each complex as a stand-alone property, there will be sections of the report that will combine various elements for purposes of a general overall review.

The Complex 1 property consists of a two-story multi-family apartment complex with 60 individual apartment units - 30 units each floor. There are 5 separate buildings connected together by exterior open-air passageways and stairways and walkways, and by an adjoining roofline, to give the appearance of one single complex building. Each of the buildings is constructed of conventional wood frame interior and brick veneer (and some wood siding) exterior and founded on a pier and beam foundation. The original construction date was reported to be 1961. For orientation purposes, the complex faces north.

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The Complex 2 property consists of a two-story multi-family apartment complex with 24 individual apartment units - 12 units each floor. There are 3 separate buildings connected together by exterior open passageways and stairways and walkways, and by an adjoining roofline, to give the appearance of one single complex building. Each of the buildings is constructed of conventional wood frame interior and brick veneer (and some wood siding) exterior and founded on a pier and beam foundation. The original construction date may or may not be the same as Complex 1. For orientation purposes, the complex also faces north.

The occupancy of each apartment unit will be discussed below under the heading, "Location and Description of the Apartments".

In addition to the apartment structures, there are other facilities throughout both complexes. Complex 1 has a manager's office building, a combination laundry/mechanical building, an outdoor AC chiller, and multiple rear covered carport parking spaces. The number of parking spaces for Complex 1 should be considered as approximate, with 80 original covered spaces (2 per apartment unit), and with 4 of these spaces eliminated by 2 corrugated sheet metal storage enclosures and AC chiller. There are approximately 14 more spaces at the courtyard between buildings 1 and 3 and 8 or so more spaces at the courtyard between buildings 3 and 5 where a swimming pool has been filled in and covered with concrete. There may be 3 to 5 more spaces around the manager's office. Complex 2 has a combination laundry/mechanical building, an outdoor AC chiller, and multiple rear covered carport parking spaces. The number of parking spaces for Complex 2 should be considered as approximate, with 22 original covered spaces (2 per apartment unit). There are approximately 9 more spaces along the rear of building 1 and 5 more spaces at the courtyard at the rear of building 2.

The concrete driveway entrance to the properties is off Belmont Avenue at the front northwest corner of Complex 1 and extends north-south along the west side of the property to the rear of the apartment structures where it continues east-west through both complexes to a side street egress at the far east side of Complex 2. The combined properties are bound by Belmont Avenue across the front north side, by a high wood fence along the west side of Complex 1, by a high wire fence across the rear south side alley (with no access to or from the alley), and by Henderson Avenue along the east side of Complex 2.

The overall property dimensions of Complex 1 are approximately 400 feet wide x 205 feet deep, and with a 30-foot building setback from the front street property line. The west side property line does not appear to be perpendicular with the front and rear property lines, based on the varying measurements off the west side of building 1. The overall property dimensions of Complex 2 are approximately 200 feet wide x 205 feet deep, but with the rear east quadrant of this property (103 feet wide x 52 feet deep) fenced off as part of another non-apartment property. It should be understood that these measurements are approximate rough estimates, as no plat survey was performed.

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LOCATION AND DESCRIPTION OF THE APARTMENT UNITS

Complex 1 - 60 individual apartment units - 24 2-bedroom/2-bath units -
24 1-bedroom/1-bath units - 12 additional smaller 1-bedroom/1-bath units -
the breakdowns are as follows:

Apartment Units By Building and Floor and Occupancy

Building 1 - First Floor - 8 Units

101	2/2	885 SF	X (Occupied)
102	1/1	667 SF	X
103	1/1	667 SF	X
104	2/2	885 SF	X
105	2/2	885 SF	X
106	1/1	667 SF	X
107	1/1	667 SF	X
108	2/2	885 SF	X

Building 1 - Second Floor - 8 Units

201	2/2	885 SF	X
202	1/1	667 SF	X
203	1/1	667 SF	Vacant
204	2/2	885 SF	Vacant
205	2/2	885 SF	Vacant
206	1/1	667 SF	Vacant
207	1/1	667 SF	X
208	2/2	885 SF	X

Building 2 - First Floor - 3 Units

109	1/1	558 SF	Vacant
110	1/1	558 SF	Vacant
111	1/1	558 SF	X

Building 2 - Second Floor - 3 Units

209	1/1	558 SF	Vacant
210	1/1	558 SF	Vacant
211	1/1	558 SF	Vacant

Building 3 - First Floor - 8 Units

112	2/2	885 SF	X
113	1/1	667 SF	X
114	1/1	667 SF	X
115	2/2	885 SF	X
116	2/2	885 SF	X
117	1/1	667 SF	X
118	1/1	667 SF	X
119	2/2	885 SF	Vacant

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Apartment Units By Building and Floor and Occupancy (continued)

Building 3 - Second Floor - 8 Units

212	2/2	885 SF	X (Occupied)
213	1/1	667 SF	Vacant
214	1/1	667 SF	Vacant
215	2/2	885 SF	X
216	2/2	885 SF	X
217	1/1	667 SF	X
218	1/1	667 SF	X
219	2/2	885 SF	X

Building 4 - First Floor - 3 Units

120	1/1	558 SF	Vacant
121	1/1	558 SF	Vacant
122	1/1	558 SF	X

Building 4 - Second Floor - 3 Units

220	1/1	558 SF	X
221	1/1	558 SF	Vacant
222	1/1	558 SF	X

Building 5 - First Floor - 8 Units

123	2/2	885 SF	X
124	1/1	667 SF	Vacant
125	1/1	667 SF	X
126	2/2	885 SF	X
127	2/2	885 SF	Vacant
128	1/1	667 SF	X
129	1/1	667 SF	X
130	2/2	885 SF	X

Building 5 - Second Floor - 8 Units

223	2/2	885 SF	X
224	1/1	667 SF	X
225	1/1	667 SF	Vacant
226	2/2	885 SF	X
227	2/2	885 SF	X
228	1/1	667 SF	X
229	1/1	667 SF	Vacant
230	2/2	885 SF	X

41 Units - Occupied

19 Units - Vacant

60 Units - Total

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Apartment Units By Size

2-Bedroom/2-Bath Units - First Floor - 12 Units

Bldg. 1	4 Units	101-104-105-108
Bldg. 2	-	
Bldg. 3	4 Units	112-115-116-119
Bldg. 4	-	
Bldg. 5	4 Units	123-126-127-130

2-Bedroom/2-Bath Units - Second Floor - 12 Units

Bldg. 1	4 Units	201-204-205-208
Bldg. 2	-	
Bldg. 3	4 Units	212-215-216-219
Bldg. 4	-	
Bldg. 5	4 Units	223-226-227-230

1-Bedroom/1-Bath Units - First Floor - 18 Units

Bldg. 1	4 Units	102-103-106-107
Bldg. 2	3 Units	109-110-111
Bldg. 3	4 Units	113-114-117-118
Bldg. 4	3 Units	120-121-122
Bldg. 5	4 Units	124-125-128-129

1-Bedroom/1-Bath Units - Second Floor - 18 Units

Bldg. 1	4 Units	202-203-206-207
Bldg. 2	3 Units	209-210-211
Bldg. 3	4 Units	213-214-217-218
Bldg. 4	3 Units	220-221-222
Bldg. 5	4 Units	224-225-228-229

Apartment Units By Interior Dimensions

Buildings 1/3/5 - 2-Bedroom/2-Bath - 24 Units

Units are 30-6 wide x 29-0 deep = 885 SF

Approx. Room Sizes

Living	12-0 x 18-0
Dining	9-0 x 10-0
Kit	8-0 x 7-0
Hall	3-1 x 9-0
Master Bdrm	10-0 x 12-0
Second Bdrm	12-0 x 12-6
Master Bath	5-0 x 7-0
Second Bath	5-0 x 7-0

Master Bdrm - 2 side-by-side closets
Second Bdrm - 1 walk-in closet
Hall - 2 closets

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Apartment Units By Interior Dimensions (continued)

Buildings 1/3/5 - 1-Bedroom/1-Bath - 24 Units

Units are 23-0 wide x 29-0 deep = 667 SF

Approx. Room Sizes

Living	12-6 x 15-0
Dining	8-6 x 9-0
Kit	13-0 x 5-0
Bdrm	10-6 x 15-0
Bath	7-0 x 8-6

Bdrm - 1 walk-in closet

Buildings 2/4 - 1-Bedroom/1-Bath - 12 Units

Units are 18-0 wide x 31-0 deep = 558 SF

Approx. Room Sizes

Living	12-0 x 16-0
Dining	6-0 x 8-0
Kit	6-0 x 8-0
Hall	3-6 x 4-0
Hall Bath	5-0 x 9-0
Bdrm	11-6 x 13-0

Bdrm - 2 walk-in closets

LOCATION AND DESCRIPTION OF THE APARTMENT UNITS

Complex 2 - 24 individual apartment units - 22 2-bedroom/2-bath units -
2 1-bedroom/1-bath units - the breakdowns are as follows:

Apartment Units By Building and Floor and Occupancy

Building 1 - First Floor - 4 Units

101	2/2	810 SF	Vacant
102	2/2	810 SF	X (Occupied)
103	2/2	810 SF	X
104	2/2	810 SF	X

Building 1 - Second Floor - 4 Units

201	2/2	810 SF	X
202	2/2	810 SF	Vacant
203	2/2	810 SF	Vacant
204	2/2	810 SF	Vacant

Building 2 - First Floor - 4 Units

105	1/1	495 SF	Vacant
106	2/2	860 SF	X
107	2/2	860 SF	Vacant
108	2/2	860 SF	X

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Apartment Units By Building and Floor and Occupancy (continued)

Building 2 - Second Floor - 4 Units

205	1/1	495 SF	Vacant
206	2/2	860 SF	X
207	2/2	860 SF	X
208	2/2	860 SF	Vacant

Building 3 - First Floor - 4 Units

109	2/2	810 SF	X
110	2/2	810 SF	X
111	2/2	810 SF	X
112	2/2	810 SF	X

Building 3 - Second Floor - 4 Units

209	2/2	810 SF	X
210	2/2	810 SF	X
211	2/2	810 SF	X
212	2/2	810 SF	Vacant

15 Units - Occupied

9 Units - Vacant

24 Units - Total

Apartment Units By Size

2-Bedroom/2-Bath Units - First Floor - 11 Units

Bldg. 1	4 Units	101-102-103-104
Bldg. 2	3 Units	106-107-108
Bldg. 3	4 Units	109-110-111-112

2-Bedroom/2-Bath Units - Second Floor - 11 Units

Bldg. 1	4 Units	201-202-203-204
Bldg. 2	3 Units	206-207-208
Bldg. 3	4 Units	209-210-211-212

1-Bedroom/1-Bath Units - First Floor - 1 Unit

Bldg. 2	1 Unit	105
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1-Bedroom/1-Bath Units - Second Floor - 1 Unit

Bldg. 2	1 Unit	205
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Apartment Units By Interior Dimensions

Buildings 1/3 - 2-Bedroom/2-Bath - 16 Units

Units are 23-6 wide x 34-6 deep = 810 SF

Approx. Room Sizes

Living	12-0 x 17-6
Dining	7-6 x 9-0
Kit	7-6 x 8-0
Hall	3-1 x 8-0
Hall Bath	5-0 x 7-6
Front Bdrm	11-0 x 14-0
Rear Master Bdrm	10-0 x 12-6
Master Bath	5-0 x 7-0

Master Bdrm - 1 walk-in closet (5-0 x 5-0)

Building 2 - 2-Bedroom/2-Bath - 6 Units

Units are 23-6 wide x 36-6 deep = 860 SF

Approx. Room Sizes

Living	12-0 x 19-0
Dining	7-6 x 9-0
Kit	7-6 x 8-6
Hall	3-1 x 8-0
Hall Bath	5-0 x 7-6
Front Bdrm	11-0 x 16-0
Rear Master Bdrm	10-0 x 12-6
Master Bath	5-0 x 7-0

Master Bdrm - 1 walk-in closet (5-0 x 5-0)

Building 2 - 1-Bedroom/1-Bath - 2 Units

Units are 13-6 wide x 36-6 deep = 495 SF

Approx. Room Sizes

Living	10-6 x 13-6
Dining	8-0 x 6-0
Kit	8-0 x 7-6
Hall	3-0 x 8-0
Bath	5-0 x 8-0
Rear Bdrm	10-0 x 13-6

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OVERALL BUILDING DIMENSION AND SQUARE FOOTAGE SUMMARY

Complex 1

Buildings 1/3/5 - 3 buildings - building dimensions are 60-0 x 110-0 =
6600 SF each floor each building.

Buildings 2/4 - 2 buildings - building dimensions are 33-0 x 57-0 =
1881 SF each floor each building.

Total Square Footage By Floor

Buildings 1/3/5 - 6600 SF x 3 = 19,800 SF each floor

Buildings 2/4 - 1881 SF x 2 = 3,762 SF each floor
23,562 SF each floor

Complex 2

Buildings 1/3 - 2 buildings - building dimensions are 36-6 x 97-0 =
3540 SF each floor each building.

Building 2 - 1 building - building dimensions are 38-6 x 87-0 =
3350 SF each floor each building.

Total Square Footage By Floor

Buildings 1/3 - 3540 SF x 2 = 7,080 SF each floor

Building 2 - 3350 SF x 1 = 3,350 SF each floor
10,430 SF each floor

Combined Square Footage Totals

	<u>Complex 1</u>	<u>Complex 2</u>	<u>Totals</u>
First Floor	23,562 SF	10,430 SF	33,992 SF
Second Floor	23,562 SF	10,430 SF	33,992 SF
	47,124 SF	20,860 SF	67,984 SF

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OVERALL NUMBER OF BUILDINGS AND GROSS SQUARE FOOTAGE SUMMARY

Complex 1 - Two-story multi-family apartment complex with 5 separate apartment buildings and 60 individual apartment units = 47,124 gross square feet.

Additional Complex 1 Buildings:

Manager's Office Building - One-story building = 342 gross square feet.

Laundry/Mechanical Building - One-story building = 630 gross square feet.

Complex 1 Summary - 7 buildings totalling 48,096 gross square feet.

Complex 2 - Two-story multi-family apartment complex with 3 separate apartment buildings and 24 individual apartment units = 20,860 gross square feet.

Additional Complex 2 Buildings:

Laundry/Mechanical Building - One-story building = 442 gross square feet.

Complex 2 Summary - 4 buildings totalling 21,302 gross square feet.

Combined Totals

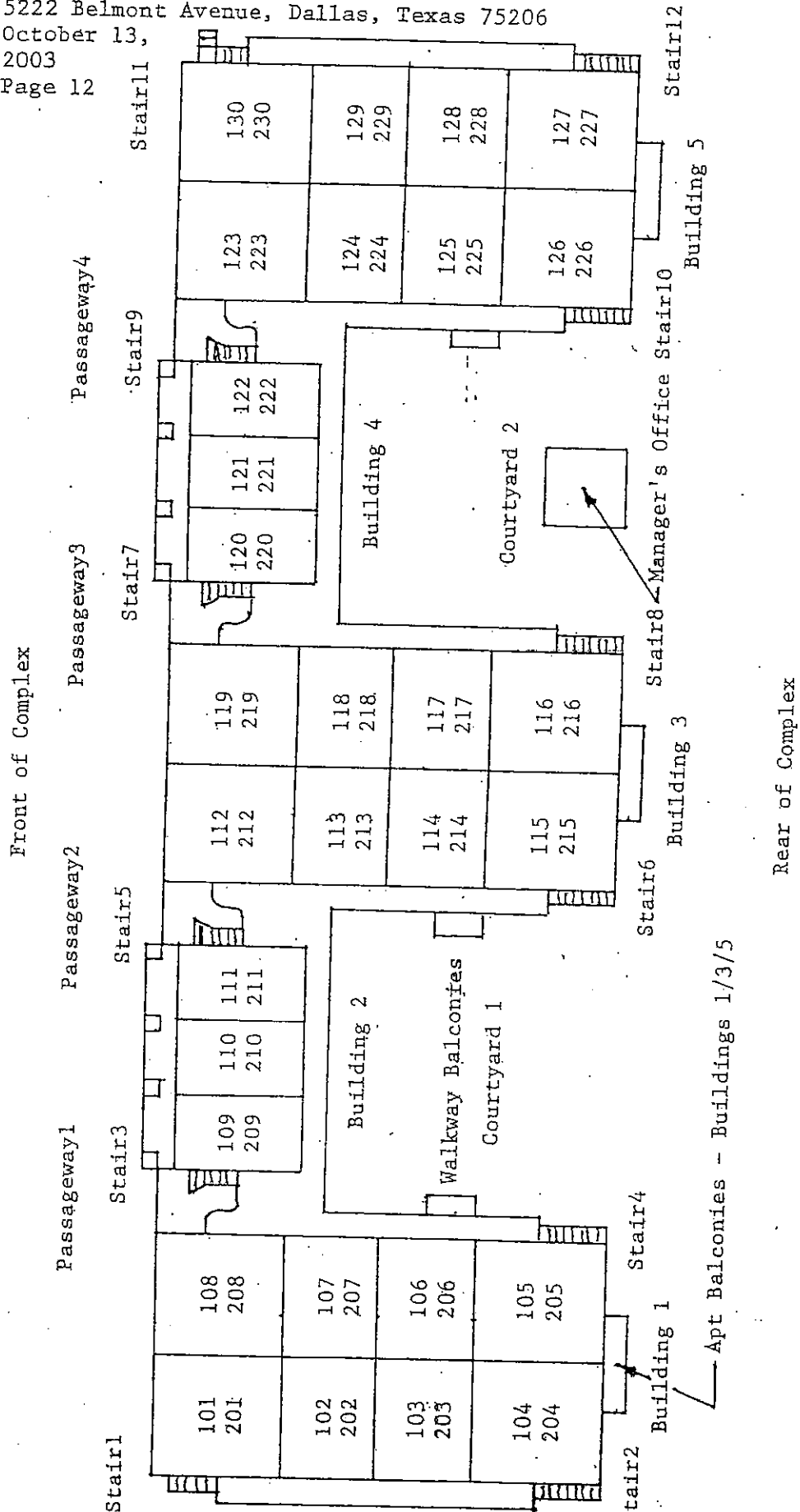
<u>Complex 1</u> - 5 apartment buildings	=	47,124	gross square feet
2 separate buildings	=	972	gross square feet
		48,096	gross square feet

<u>Complex 2</u> - 3 apartment buildings	=	20,860	gross square feet
1 separate building	=	442	gross square feet
		21,302	gross square feet

<u>Totals</u> - 11 buildings	=	69,398	gross square feet
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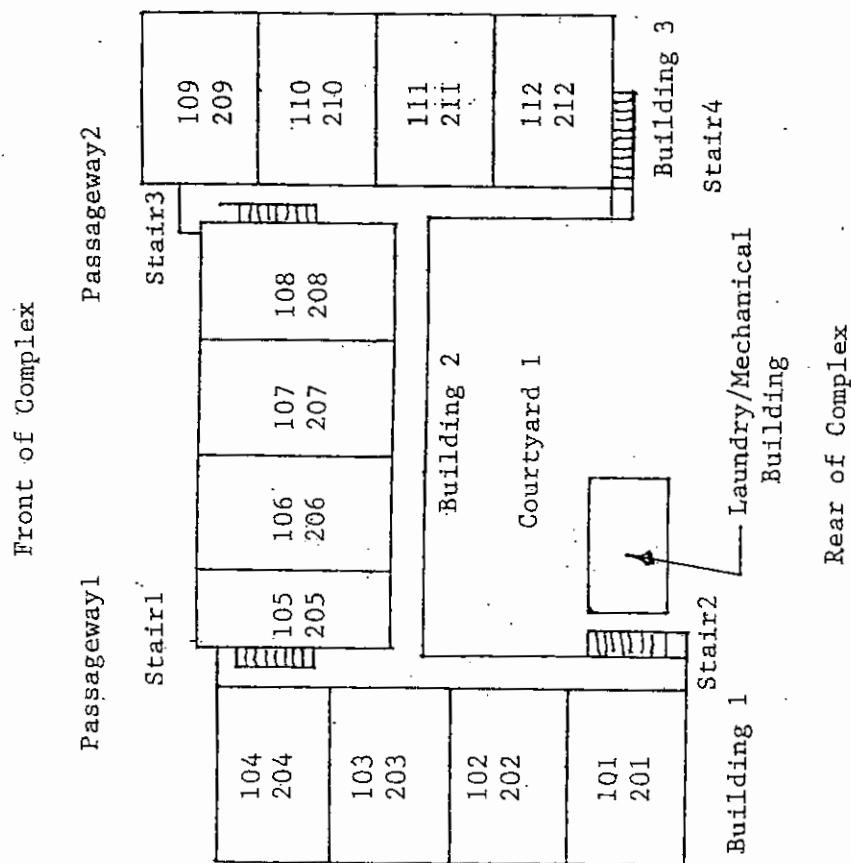
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COMPLEX 1



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COMPLEX 2



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FOUNDATION AND STRUCTURE

Complex 1 - Apartment Buildings

Each of the 5 buildings is founded on a separate pier and beam foundation that consists of 24-inch deep perimeter concrete grade beams and an interior wood flooring system. The wood flooring system (for buildings 1/3/5) consists of single 2x6 joists at 16 inches on center spanning east-west and supported by triple 2x6 girders running north-south. This floor framing is in turn supported by interior 10-inch diameter concrete piers spaced under the girders, and by the perimeter concrete grade beams. The wood flooring system (for buildings 2/4) consists of single 2x6 joists at 16 inches on center spanning north-south and supported by triple 2x6 girders running east-west. This floor framing is in turn supported by interior 10-inch diameter concrete piers spaced under the girders, and by the perimeter concrete grade beams.

The pier and beam foundations show general differential settlement and movement within a limited range to be expected. No perimeter concrete grade beam fractures are evident. The interior piers and supports for the wood flooring systems appear adequate and in place. THE WOOD FLOORING SYSTEMS SHOW VARYING DEGREES OF MOISTURE DAMAGE IN NEED OF REPAIR. SEE ADDITIONAL COMMENTS BELOW FOR FURTHER DETAILS. The brick veneer exteriors show no significant distress cracks or separations and appear in satisfactory condition. The wood siding exteriors (isolated to the bay windows at the front side of buildings 1/3/5 - a total of 6 two-story window sections) show moisture damage in need of repair. The interior apartment unit conditions are discussed on following pages as could be observed. Addressing windows and glazing, there are numerous window panes and sections throughout all buildings and floors with taped-in-place or otherwise loosely inserted plastic sheets instead of standard glazing - these panes and sections are too numerous to identify with individual apartment units and should be addressed as a general repair for the entire complex. In addition to the plastic panes, there are numerous glass panes that are cracked and broken out also in need of repair. Continuing with glazing in general, there are no burglar bars or wired glass in place, and emergency egress openings are discussed on following pages as part of a separate heading. Hazardous locations for the purposes of glazing (as they pertain to this complex) are as follows: (1) glazing in fixed and sliding sections of sliding patio or balcony doors (to include balcony doors at units 204/205 and 215/216 and 226/227 - a total of 6 balcony doors to 3 balconies); (2) glazing in shower stall doors (to include 24 two-bedroom/2-bath units). There are no apparent glazing problems at these hazardous locations, as could be observed, and with any repairs other than glazing addressed at individual units.

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Complex 1 - Apartment Buildings (continued)

Wood flooring system and crawl space observations are as follows:

Building 1 - Crawl space access located at Unit 101 - entire crawl space saturated with plumbing moisture - wood flooring system shows numerous areas of significant moisture damage, primarily under bathrooms.

Building 2 - Crawl space access located at Unit 110 - crawl space dry except for plumbing leakage at all 3 ff bathrooms - wood flooring system shows significant moisture damage under all 3 ff bathrooms.

Building 3 - Crawl space access located at Unit 119 - entire crawl space saturated with plumbing leakage and moisture - master bath plumbing leakage at unit 119 has rotted out entire floor - master bath plumbing drain no longer connected up at unit 119 - one wood flooring system girder badly cracked under unit 119 - much of living room flooring warped at unit 119 - hall closet flooring damage at unit 119.

Building 4 - Crawl space access located at Unit 121 - plumbing leakage at all 3 ff bathrooms - wood flooring system shows significant moisture damage under all 3 ff bathrooms - kitchen floor warped at unit 120 - hall floor damage at unit 120 - closet floor damage at unit 121 - THESE UNITS ARE INFESTED WITH FLEAS.

Building 5 - Crawl space access located at Unit 130 - much of crawl space saturated with plumbing moisture - living room and kitchen flooring warped at unit 124 - wood flooring system moisture damage under bathroom at unit 124 - kitchen flooring warped at unit 127 - wood flooring system moisture damage under both bathrooms at unit 127.

A summary of wood flooring system conditions reflects significant plumbing leakage and wood flooring system moisture damage at all 5 buildings and at most all ff units. Much of the wood flooring damage has occurred under the various bathrooms, but in many areas has spread out to include supplemental damage and warping at adjacent rooms. Most (if not all) bathrooms have ceramic tile floor covering in place that most likely would need to be removed if extensive flooring is to be replaced.

It is noted here that this section of the report addresses the wood flooring systems as they relate to the foundation and structure, and other interior conditions in need of repair are discussed elsewhere.

Foundation vents are in place at front/rear/west sides of building 1, at front/rear sides of building 3, and front/rear/east sides of building 5. Ground-level raised capped concrete passageways and walkways prevent any vents at other perimeter areas, including no vents at all around buildings 2 and 4. Of the existing vents, numerous vent screens are open and need to be patched to prevent animals from entering into the crawl spaces.

In conclusion, unless so stated, and excluding wood flooring system damage in need of repair, the overall condition of the foundations and structures is well within acceptable parameters for this type of foundation and prevailing subgrade conditions, and the structures appear sound.

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Complex 1 - Apartment Buildings (continued)

Interior conditions (related to the structure) in need of repair are broken down by accessible apartment units as follows:

Building 1 - Unit 101

- (1) Unit occupied - tenant allowed entry to access crawl space.

Building 1 - Unit 203

- (1) Front door needs replacement.
- (2) Front window lock broken.
- (3) Bath door latchbolt missing.
- (4) Bath lavatory cabinet moisture damage.
- (5) Bedroom window moisture damage.

Building 1 - Unit 204

- (1) Master bedroom closet doors off track.
- (2) Hall closet door latchset missing.
- (3) Hall ceiling damage at fan coil unit panel.

Building 1 - Unit 205

- (1) Entire unit in very poor condition.
- (2) Front window locks missing.
- (3) Hall closet door damage.
- (4) Walk-thru bath - one door missing - one door damaged.
- (5) Master bedroom closet doors missing.
- (6) Bath cabinet doors missing.
- (7) Hall ceiling damage.
- (8) Concrete floor topping badly cracked (to be replaced).

Building 1 - Units 204 and 205

- (1) Both sliding balcony doors need repair for better operation.
- (2) Both sliding balcony screen doors missing.

Building 1 - Unit 206

- (1) Front window locks missing.
- (2) Bedroom wall damage.
- (3) Hall closet door damage.
- (4) Bath plumbing leakage damage.

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Complex 1 - Apartment Buildings (continued)

Building 2 - Unit 109

- (1) West wall is brick - no damage observed.
- (2) Bath floor damage.

Building 2 - Unit 110

- (1) Living room wall damage.
- (2) Living room wall patch repair (needs redone).
- (3) Bedroom door and hall closet door both stick.
- (4) Bath floor damage.

Building 2 - Units 109 and 110 and 111

- (1) Bath plumbing leakage at all 3 baths.
- (2) Wood flooring damage at all 3 baths.

Building 2 - Unit 209

- (1) West wall is brick - no damage observed.
- (2) Living room wall damage.
- (3) Hall closet door damage.
- (4) Bedroom closet door damage.

Building 2 - Unit 210

- (1) Living room wall damage.
- (2) Hall closet door damage (to be replaced).
- (3) Bedroom closet door missing.
- (4) Bath floor damage - bath floor tile cracked.
- (5) Bath cabinet drawer broken.

Building 2 - Unit 211

- (1) East wall is brick - no damage observed.
- (2) Bath floor damage.

Building 3 - Unit 119

- (1) Entire unit in very poor condition.
- (2) Severe plumbing leakage at this unit and above Unit 219.
- (3) Severe interior problems from plumbing leakage (floors/walls/ceilings) and including exposed damaged bathroom ceiling joists.
- (4) Both bathrooms need to be completely gutted.
- (5) Second bedroom closet damage.
- (6) Living room floors warped.
- (7) Living room window damage.
- (8) Master bedroom door damage (to be replaced).
- (9) Hall closet doors damage (to be replaced).
- (10) Front door damage (to be replaced).
- (11) Severe wood flooring system damage.

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Complex 1 - Apartment Buildings (continued)

Building 3 - Unit 213

- (1) Living room wall damage.
- (2) Bedroom wall damage.

Building 3 - Unit 214

- (1) Bedroom door damage (to be replaced).
- (2) Bathroom door damage (to be replaced).

Building 4 - Unit 120

- (1) Bath floor damage - bath floor tile cracked.
- (2) Hall floor damage.
- (3) Kitchen floor warped.

Building 4 - Unit 121

- (1) Bath floor damage - bath floor tile cracked.
- (2) Closet floor damage.
- (3) Front door and inside door frame damage (to be replaced).
- (4) Bedroom and bedroom closet doors damage (to be replaced).
- (5) Bathroom door damage (to be replaced).

Building 4 - Units 120 and 121 and 122

- (1) Bath plumbing leakage at all 3 baths.
- (2) Wood flooring system damage at all 3 baths.
- (3) These units are infested with fleas.

Building 4 - Unit 221

- (1) Living room wall damage.
- (2) Bedroom wall patch repair (needs redone).
- (3) Bathroom door damage.
- (4) Bathroom cabinet drawers missing.
- (5) Bathroom tile damage.

Building 5 - Unit 124

- (1) Living room and kitchen floors warped.
- (2) Bedroom wall moisture damage around window.
- (3) Bath floor damage - bath floor tile cracked.
- (4) Bath wall and ceiling damage.
- (5) Hall closet door damage.

Building 5 - Unit 127

- (1) Living room and kitchen floors warped.
- (2) Master bedroom closet doors missing.
- (3) Bath floor damage at both baths.
- (4) Kitchen countertop damage.

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Complex 1 - Apartment Buildings (continued)

Building 5 - Unit 130

(1) Unit occupied - tenant allowed entry to access crawl space.

Building 5 - Unit 225

(1) No significant problems observed.

Building 5 - Unit 229

(1) No significant problems observed.

Complex 1 - Other Facilities

A separate detached one-story manager's office building constructed of conventional wood frame interior and a combination of horizontal plank wood siding and north wall brick veneer exterior and founded on a reinforced concrete slab on grade foundation. There is a pitched composition shingle roof installed over 1x8 tongue and groove wood board decking. Building appears in satisfactory condition. Building dimensions are approximately 18-0 x 19-0.

A separate detached combination laundry/mechanical building constructed of conventional wood frame interior and vertical plank wood siding exterior and founded on a reinforced concrete slab on grade foundation. There is a pitched composition shingle roof installed over an OSB particleboard decking. Building is a one-story structure. Building appears in satisfactory condition. Building dimensions are approximately 15-0 x 19-0 for laundry facilities and 15-0 x 23-0 for mechanical and storage facilities. (It is noted here that this structure has been partially rebuilt from past fire, to include new roof covering and decking - some charred rafters and wall studs remain in place but appear within a limited range of damage and no structural repairs are necessary at this time).

Complex 2 - Apartment Buildings

Each of the 3 buildings is founded on a separate pier and beam foundation that consists of 24-inch deep perimeter concrete grade beams and an interior wood flooring system. The wood flooring system (for buildings 1 and 3) consists of single 2x6 joists at 16 inches on center spanning east-west and supported by triple 2x6 girders running north-south. This floor framing is in turn supported by interior 10-inch diameter concrete piers spaced under the girders, and by the perimeter concrete grade beams. The wood flooring system (for building 2) consists of single 2x6 joists at 16 inches on center spanning north-south and supported by triple 2x6 girders running east-west. This floor framing is in turn supported by interior 10-inch diameter concrete piers spaced under the girders, and by the perimeter concrete grade beams.

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Complex 2 - Apartment Buildings (continued)

The pier and beam foundations show general differential settlement and movement within a limited range to be expected. No perimeter concrete grade beam fractures are evident. The interior piers and supports for the wood flooring systems appear adequate and in place. THE WOOD FLOORING SYSTEMS SHOW VARYING DEGREES OF MOISTURE DAMAGE IN NEED OF REPAIR.. SEE ADDITIONAL COMMENTS BELOW FOR FURTHER DETAILS. The interior apartment unit conditions are discussed on following pages as could be observed. Although to a lesser degree than complex 1, there are several windows with plastic inserts and cracked glass panes in need of repair. Hazardous locations for the purposes of glazing (as they pertain to this complex) are as follows: glazing in fixed and sliding sections of sliding patio or balcony doors (to include patio doors at units 101/102/103/104 of building 1 and units 109/110/111/112 of building 3 - a total of 8 patio doors). The patio door at unit 112 is completely removed and replaced with a wood partition and wood door.

Wood flooring system and crawl space observations are as follows:

Building 1 - Crawl space access located at Unit 101 - crawl space dry except for isolated plumbing leakage - hall bath tub drain leakage at Unit 102 - some wood flooring damage at Unit 102.

Building 2 - Crawl space access located at Unit 107 - entire crawl space saturated with plumbing moisture - wood flooring system moisture damage under all 4 units.

Building 3 - No accessible ff units to determine crawl space access location - could not observe crawl space conditions - could not observe interior unit conditions of ff units.

Interior conditions (related to the structure) in need of repair are broken down by accessible apartment units as follows:

Building 1 - Unit 101

- (1) Front bedroom closet doors missing.
- (2) Rear bedroom sliding patio door difficult to operate - no sliding screen door.

Building 1 - Units 101/102/103/104

- (1) Sliding patio doors to west side patios have no concrete step-downs as needed for safety concerns.

Building 1 - Unit 202

- (1) Living room window sill damage.
- (2) Dining room wall damage.
- (3) Kitchen countertop damage.
- (4) Front bedroom door damage.

Building 1 - Unit 203

- (1) Rear bedroom damage around window.
- (2) Rear bedroom closet door sticks.
- (3) Hall ceiling damage.

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Complex 2 - Apartment Buildings (continued)

Building 1 - Unit 204

- (1) Living room window sill damage.
- (2) Kitchen floor damage.
- (3) Kitchen cabinet drawers missing.
- (4) Front bedroom closet door missing.
- (5) Master bath floor/wall/ceiling damage.
- (6) Master bath floor tile cracks.
- (7) Hall cabinet fronts missing.

Building 2 - Unit 105

- (1) Front door damage.
- (2) Hall closet door damage.
- (3) Bedroom closet door missing.
- (4) Kitchen sink cabinet and countertop damage.
- (5) Hall ceiling damage.

Building 2 - Unit 106

- (1) Unit occupied - tenant allowed entry to observe water damage.
- (2) Severe plumbing leakage at bathroom (and from Unit 206 above).
- (3) Severe bathroom damage (floors/walls/ceilings).
- (4) Hall ceiling damage.

Building 2 - Unit 107

- (1) Entire unit in poor deteriorated condition.
- (2) Front door damage.
- (3) Living room damage (floors/walls).
- (4) Kitchen sink cabinet damage.
- (5) Front bedroom damage (floors/walls).
- (6) Front bedroom closet door missing.
- (7) Master bedroom damage (floors/walls/window sill).
- (8) Bath plumbing leakage (both baths).
- (9) Wood flooring system damage (both baths).
- (10) Hall bath ceiling damage.
- (11) Bathroom interior damage (both baths) (severe) (need gutted)

Building 2 - Unit 205

- (1) Living room ceiling damage (ceiling has fallen).
- (2) Front door damage.
- (3) Kitchen damage (floors/walls/cabinets/countertops).
- (4) Bedroom closet door missing.
- (5) Bath wall damage.

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Complex 2 - Apartment Buildings (continued)

Building 2 - Unit 208

- (1) Dining room closet door latchset missing.
- (2) Hall closet door latchset missing.
- (3) Master bedroom closet door latchset missing.
- (4) Front bedroom closet door missing.
- (5) Window locks missing.
- (6) Kitchen damage (sink leakage/cabinets/countertops).
- (7) Front bedroom wall damage.
- (8) Hall bath door latchset broken.
- (9) Bathroom damage (both baths) (cracked tile).

Building 3 - Unit 112

- (1) Unit occupied - no entry - sliding patio door removed and replaced with a wood partition and wood door - outdoor observations.

Building 3 - Unit 212

- (1) Living room wall damage.
- (2) Kitchen damage (sink leakage/cabinets/countertops/floors).
- (3) Front bedroom closet door missing.
- (4) Bathroom damage (both baths) (cracked tile).

Complex 2 - Other Facilities

A separate detached combination laundry/mechanical building constructed of conventional wood frame interior and a combination brick veneer/wood siding exterior and founded on a split-level reinforced concrete slab on grade foundation. There is a pitched composition shingle roof installed over 1x6 tongue and groove wood board decking and 2x6 rafters at 24 inches on center. Building appears in satisfactory condition considering its utilization. Several swing-open doors to mechanical plant are functional to open/close/lock but are in only fair physical condition and drag on ground when opened. Building dimensions are approximately 17-0 x 26-0. Roof covering needs replacement.

BUILDING PLANNING

Complexes 1 and 2

Regarding EMERGENCY EGRESS OPENINGS for each apartment unit, every sleeping room shall have at least one operable window or exterior door for the purpose of emergency egress or rescue. These openings must be operable from the inside without the use of keys or separate tools or special knowledge. It is noted that all apartment units have only one door for both entrance and egress, except as follows: Complex 1 upstairs units 204/205 and 215/216 and 226/227 each have a separate sliding balcony door to an exterior balcony while Complex 2 first floor units 101/102/103/104 and 109/110/111/112 each have a separate sliding patio door to an exterior patio.

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BUILDING PLANNING - Complexes 1 and 2 (continued)

Regarding SECURITY DEVICES (DOOR AND WINDOW LOCKS) for residential dwellings, under the Landlord and Tenant Section of the Texas Property Code, "A rental dwelling must be equipped at the landlord's expense with certain security devices, including window latches, doorknob locks, sliding door handle latches, sliding door pin locks, and keyless inner deadbolts". There also may be certain requirements pertaining to "door viewers", and there are other segments of the code pertaining to changing and repairing security devices. THIS REPORT IS NOT INTENDED TO INTERPRET THE CODE OR THE LAW, BUT ONLY TO BRING THIS PORTION OF THE PROPERTY CODE TO YOUR ATTENTION FOR REFERENCE PURPOSES.

Continuing with security devices, it is this opinion that all exterior doors should be equipped with 2 separate locking devices - a doorknob lockset and a deadbolt lock that is operated by an outer key and an inner turn latch. Present conditions show all evaluated units to have the proper door locks. At least 2 repair conditions do exist as follows: (1) Multiple front doors have the proper door locks in place but either the doors need replacement or the door locks (including door viewers) need some type of repair (2) Multiple window latch-type locks are broken or missing.

Regarding SMOKE DETECTORS, as a minimum standard, UL listed residential smoke detectors should be installed at the bedroom and bedroom hallway of each and every apartment unit. Read and follow all manufacturer's instructions. Fresh batteries should be installed as needed or at least once a year. (Although the tenants may replace the batteries on their own; it is suggested that this procedure become part of the general maintenance program to assure full working order).

Continuing with smoke detectors, it is this opinion that new smoke detectors should be installed at every bedroom and every bedroom hallway of every apartment unit - Complex 1 with 60 units would require 144 smoke detectors - Complex 2 with 24 units would require 70 smoke detectors.

Regarding DISABILITIES as it relates to construction, the Americans With Disabilities Act was enacted in July 1990 and took effect pertaining to "new construction" after January 26, 1993. Since the Act deals only with construction which becomes available for "first occupancy" after that date, then it does not apply to this property unless certain alterations or other modifications are made beyond and in addition to repairs. PLEASE REFER TO THE AMERICANS WITH DISABILITIES ACT SECTION OF THE TEXAS PROPERTY CODE FOR FURTHER DETAILS.

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BUILDING PLANNING - Complexes 1 and 2 (continued)

Regarding STAIRWAYS AND HANDRAILS AND GUARDRAILS, general requirements for stairways (with open risers) specify not less than 36 inches clear tread width, a minimum 10 inches tread depth, and a maximum 8 inches riser height. Stairway handrails shall be provided on at least one side of stairways of 3 or more risers, with the handrail having minimum and maximum heights of 34 inches and 38 inches respectively, and run continuous the full length of the stairs. Guardrails shall be provided at porches, balconies, and raised floor surfaces located more than 30 inches above the floor or grade, with the guardrails not less than 36 inches in height, and with the openings between the intermediate vertical rails no greater than 4 inches. There are additional requirements as they apply.

Continuing with stairways and handrails and guardrails, it is this opinion that all building planning requirements have been met with 2 exceptions as follows: (1) All stairway handrails are 32 inches in height rather than the minimum stated 34 inches (2) Some of the guardrail intermediate vertical rail openings are greater than the 4 inches specified in the present code. Please review the full section of this report pertaining to this topic to include recommended structural repairs beyond building planning.

PASSAGEWAYS, STAIRWAYS, WALKWAYS, AND BALCONIES

Complex 1

Please refer to the schematic drawing on page 12 of this report.

The ground-level lower open-air passageways and walkways between the buildings consist of raised capped concrete construction - passageways are 14'-0" wide - walkways are 5'-0" wide. These lower walkways vary from 18 inches above grade at courtyard 1 to 24 inches above grade at courtyard 2. The lower walkway metal guardrails are approximately 48 inches in height with 5-inch rail openings at courtyard 1 and 3½-inch rail openings at courtyard 2. These lower passageways and walkways appear in satisfactory condition.

The elevated second-floor upper open-air walkways between the buildings, and also along the outer sides of buildings 1 and 5, consist of wood-frame construction and concrete toppings - as could be observed, the makeup of the upper walkways is 2x8 joists at 12 inches on center and wood plank flooring covered with concrete topping - the bottom has plywood sheets and the outer walkway edge has double 2x12 framing. (Balconies are discussed separately). The upper walkway metal guardrails are approximately 42 inches in height with rail openings of 5½ inches and 8 inches. These upper walkways are supported by 4-inch steel pipe columns at irregular spacings - the support columns between the buildings bear directly onto the lower raised capped concrete walkways while the columns supporting the outer walkways of buildings 1 and 5 extend to ground-level.

Complex 1 (continued)

There are 2 upper walkway balconies at the east side of building 1 and the west side of building 3, and 3 more cantilever balconies at the rear sides of buildings 1/3/5, all of which appear to have the same construction make-up and guardrails as the upper walkways. Both of the upper walkway balconies appear structurally unsound and need to be removed or completely rebuilt. At least one cantilever balcony at building 1 also needs extensive repair. (The other 2 balconies at buildings 3 and 5 were not accessible and could not be observed other than from outdoor ground-level but appear in satisfactory condition).

There are 12 sets of prefabricated steel frame stairway sections to connect the ground-level with the elevated second-floor upper walkways - all of the stairs have open 8-inch risers and concrete treads 10 inches deep and 42 inches wide - stairs 3-5-7-9 each have concrete treads flared to 60 inches at the juncture with the raised capped concrete passageways - stair 11 has a turn section with an intermediate 4-0 x 4-0 concrete landing - all other stairs are straight in design. All stairway metal handrails are 32 inches in height with 4-inch rail spacings. All stairway sections appear in satisfactory condition.

Several elevated upper walkways and balconies need repair. These repairs itemized below should not be construed as an all inclusive list, as other repairs may be discovered and added to the list.

Special repair notes -

- (1) All existing or added walkway and balcony support columns shall be 4-inch diameter standard weight steel pipe columns, to be firmly secured and properly anchored at both top and bottom.
- (2) Existing outdoor concrete topping cracks (not involving needed replacement) should be sealed immediately to lessen water penetration into the wood frame structure.
- (3) All wood member replacement shall be pressure-treated #2 lumber or better.

Upper walkway and balcony repairs are as follows:

- (1) Upper walkway at west side of building 1 (see photo sheets 2 and 3) - walkway presently supported by 5 irregular spaced 4-inch diameter steel pipe columns with at least 2 columns out of vertical alignment - respace with 6 columns at 16-foot spacings.
- (2) 2 upper walkway balconies at east side of building 1 and west side of building 3 - these balconies are structurally unsound and should be removed and adjoining walkway enclosed or completely rebuilt with added new columns at the 2 outer balcony corners. (See photo sheet 4).
- (3) Upper cantilever balcony at building 1 (see bottom of photo sheet 6) - this balcony needs extensive repair to replace rotted wood members.

Complex 1 (continued)

- (4) Upper walkway at rear of building 2 - outer 2x12 framing at walkway edge (see photo sheet 5) - this 2x12 member is rotted out and needs to be replaced - there may be other members as well - upper walkway at rear of building 2 as viewed from below (see top of photo sheet 6) - significant framing damage needs to be replaced - upper walkway at rear of building 2 (see photo sheet 7) - concrete topping damage with numerous cracks and loose pieces and one area of significant settlement breakage - these sections of normal-weight concrete topping need to be replaced.
- (5) Passageways 1-2-3-4 (see photo sheet 8) - lower and upper views of one of these upper walkway front cantilever sections with no support columns - add 2 new support columns at 14-foot spacings off existing passageway column for needed upper walkway support.
- (6) Upper walkway at west side of building 5 (see photo sheet 9) - both outer 2x12 framing damage and joist damage at rear of walkway at juncture with stair 10 - extensive replacement is needed.
- (7) Upper walkway at rear of building 4 - concrete topping damage with numerous cracks and loose pieces at unit 220 area (similar to conditions at rear of building 2) - these sections of normal-weight concrete topping need to be replaced.
- (8) Upper walkway at west side of building 3 at walkway balcony area (see photo sheet 10) - these conditions reflect walkway roof overhang settlement and separation because of unstable walkway balcony - balcony has already been addressed - once walkway stabilization has been achieved, then this roof overhang problem can be repaired.

Complex 2

Please refer to the schematic drawing on page 13 of this report.

The ground-level lower open-air passageways and walkways between the buildings consist of raised capped concrete construction - passageways are 7-0 wide - walkways are 5-0 wide. These lower walkways vary from 7 to 12 inches above grade at the one common courtyard. There are no lower walkway guardrails and none are required. These lower passageways and walkways appear in satisfactory condition.

The elevated second-floor upper open-air walkways between the buildings consist of wood-frame construction and concrete toppings - as could be observed, the makeup of the upper walkways is the same as complex 1 walkways. There are no balconies at this complex. The upper walkway metal guardrails are approximately 52 inches in height with 5-inch rail openings. These upper walkways are supported by mainly 2-inch square metal columns, of which at least one column is loose and one column is missing. There is one 4-inch diameter steel pipe column in place at the inner walkway corner between buildings 1 and 2, and this column is also loose. These columns bear directly onto the lower raised capped concrete walkways. In addition

Complex 2 (continued)

to these columns, the outer rear walkway corners adjacent to stairs 2 and 4 have no support columns at all as needed.

As a general discussion of the 2-inch square metal columns in place to support the upper walkways, the American Institute of Steel Construction does not identify this member in its Manual for Steel Construction so its structural properties can not be determined. For structural concerns, it is this opinion that all 2-inch square metal columns be replaced with 4-inch diameter standard weight steel pipe columns.

There are 4 sets of prefabricated steel frame stairway sections to connect the ground-level with the elevated second-floor upper walkways - all of the stairs have open 8-inch risers and concrete treads 10 inches deep and 42 inches wide - stairs 2 and 4 each have an upper stair landing as part of the prefabricated steel frame stairway - although concrete treads are identified, stairs 2 and 4 concrete treads are missing from steel tread frames. All stairway metal handrails are 32 inches in height with 4-inch rail spacings. Stair 4 has pulled away from the upper stair landing and upper walkway - the entire stair continues to vibrate when walked on and appears structurally unsound.

With the same applicable conditions pertaining to repairs as complex 1, upper walkway and stairway repairs are as follows:

- (1) Upper walkways presently supported by irregular spaced 2-inch square metal columns (see photo sheet 12) - replace all 2-inch square columns with 4-inch-diameter standard weight steel pipe columns at approximate 10-foot spacings.
- (2) Upper walkways presently supported by one 4-inch diameter steel pipe column at the inner walkway corner between buildings 1 and 2 (see top of photo sheet 13) - this column is loose to rotted walkway framing - wood framing needs repair and column needs to be resecured.
- (3) Upper walkway at front stair 1 shows missing concrete topping (see bottom of photo sheet 13) - this area of normal-weight concrete topping needs to be replaced.
- (4) Upper walkway outer rear corners adjacent to stairs 2 and 4 have no support columns as needed - install new 4-inch diameter standard weight steel pipe columns to ground-level.
- (5) Rear stair 4 has pulled away from upper walkway landing (see photo sheet 14) - stairway continues to vibrate and appears structurally unsound - this stairway section should be completely reset and resecured as necessary for a structurally stable unit.
- (6) Stairs 2 and 4 concrete treads are missing and need to be replaced.

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ROOF AND ROOF STRUCTURE AND ATTIC

Complex 1

The continuous roof covering consists of mostly 2 layers of composition shingle roof installed over 1x8 tongue and groove wood board decking. The roof shows varying degrees of wear and weathering and deterioration, ranging from fair condition to no longer functional. Weight restrictions, along with other considerations, would prevent further reroofing over the existing roof. All existing roof coverings need to be removed down to the decking and replaced with a new composition shingle roof. The roof decking will remain unless otherwise addressed (such as the condition at building 4). It is important to discuss roof openings in regard to installation of a new roof - first, there are numerous roof jack openings in place for the kitchen vent hoods where the vent hoods themselves are missing, inoperable, badly deteriorated, and also many/most of the updraft vent pipe sections in the attic have come apart or are missing which is not acceptable - it would be advisable to eliminate these updraft type vent hoods altogether and replace them with "ventless" hoods, and in the process also do away with all of the roof jacks associated with the existing vent hoods - second, each building attic or enclosed section of attic needs some type of ventilation which would include an upper roofline vent other than the attic areas where a gable vent is already in place.

There are general roofline sags throughout the entire complex, and with a very significant pronounced sag at the rear slope of building 4 (see top of photo sheet 11) - there is no attic access above this particular building for visual observations as needed - this sag most likely indicates isolated roof framing failure and/or roof decking damage - it is recommended that an attic access opening be installed at one of the upstairs units (220/221/222) and subsequent roof framing/decking repairs take place.

In addition to various upper walkway roof overhang damage in need of repair, there is roof eave moisture damage observed at the outer corners of the extended front overhangs of buildings 2 and 4 that also need to be addressed (see bottom of photo sheet 11).

Pertaining to roof rainwater control, although there are remaining remnants of a past gutter and downspout system, it would be a mistake to classify this system as in place or functional - the existing sections are mostly plastic with loose/missing/clogged/leaking/come apart/poor condition components, and there are no installed sections across the front side of the complex - it is recommended that a complete new g&d system be installed to include guttering across the front and downspouts to ground-level.

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Complex 1 (continued)

Accesses to the attic spaces are as follows:

- Building 1 - Upper walkway pull-down stairs at passageway 1.
- Building 2 - Upstairs Unit 209 bedroom walk-in closet ceiling panel.
- Building 3 - Upper walkway pull-down stairs at both passageway 2 and passageway 3.
- Building 4 - No access to this attic space - recommend installing a new opening at one of the upstairs units (220/221/222).
- Building 5 - Upper walkway pull-down stairs at passageway 4.

The overall roof structure consists of 2x6 rafters at 24 inches on center with 2x4 purlins at the rafter midspan above the buildings and 2x6 purlins at the rafter midspan above the passageways. Ceiling insulation above the apartment buildings is approximately 4-6 inches of loose-fill rockwool. There is no ceiling insulation above the passageways and is not needed. There are attic gable vents in place at the west and south sides of building 1, at the south side of building 3, and at the east and south sides of building 5. In addition, there are a few (but not enough) upper roofline vents at attic areas with no gable vents. All of the attic-side gable vent screens (5 vents in all) are deteriorated with open holes and need new screens to prevent birds and animals from entering into these attic spaces.

General attic observations related to the roof structure are as follows:

- (1) One cracked rafter at the front slope of passageway 1.
- (2) No purlin bracings at any of the 4 passageways.
- (3) Collectively for all building attics, many 2x4 purlin bracings have been installed at every third rafter, or at every sixth rafter, or at some areas no purlin bracings at all. (Standard roof structure procedures call for purlin bracings every other rafter or every 4 feet).
- (4) At least one cracked 2x4 ridge beam bracing at building 3. (All ridge beam bracings should be a "T"-type design for greater stability).
- (5) At least one cracked rafter, one cracked purlin, and one cracked ridge beam bracing, at building 5.
- (6) A very significant pronounced sag at the rear slope of building 4 most likely indicates isolated roof framing failure and/or roof decking damage. (No attic access at building 4).

Pertaining to Dwelling Unit Separation between the buildings, there are brick walls at each side of buildings 2 and 4 that extend up into the attic to the roofline that divide these attic spaces from the adjacent passageway attics. Although buildings 2 and 4 have a 12-inch higher roofline than adjacent connecting rooflines, and have masonry walls that separate the attics, neither of these conditions constitute a proper fire-resistant rating unless the common wall between the buildings consists

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Complex 1 (continued)

of non-combustible materials to extend from the foundation to the top of a parapet not less than 30 inches above the roof surface, and also to extend the full length of the common wall. Existing conditions allow for a fire to spread along the roofline over the brick walls, and also around the fronts of the brick walls at the 3-0 front roof overhang. Instead, these brick walls will act more as draft stops provided a drywall stop is installed at the north ends of the brick walls at the overhangs. In addition to the discussed brick walls, there are multiple drywall draft stop partitions in place that separate the building attics from the passageway attics, and also that separate different sections of attic spaces of buildings 1/3/5. For these drywall draft stop partitions to perform to their greater efficiency, it is important to assure that "all" partitions are intact with "no openings during non-use". Where a drywall opening is available for access from attic to attic, then this opening needs to be suitable to close up during those non-use periods.

ROOF AND ROOF STRUCTURE AND ATTIC

Complex 2

The continuous roof covering consists of mostly 2 layers of composition shingle roof installed over 1x8 tongue and groove wood board decking. The roof shows varying degrees of wear and weathering and deterioration, ranging from fair condition to no longer functional. Weight restrictions, along with other considerations, would prevent further reroofing over the existing roof. All existing roof coverings need to be removed down to the decking and replaced with a new composition shingle roof.

Just as with Complex 1, all notes pertaining to roof openings, attic ventilation, gutters and downspouts, and general roof framing, also apply to Complex 2.

Accesses to the attic spaces are as follows:

- Building 1 - Upper walkway pull-down stairs at passageway 1.
- Building 2 - Upper walkway pull-down stairs at passageway 1.
- Building 3 - Upper walkway pull-down stairs at passageway 2.

General attic observations related to the roof structure are as follows:

- (1) Collectively for all building attics, many 2x4 purlin bracings have been installed at every third rafter, or at every sixth rafter, or at some areas no purlin bracings at all. (Standard roof structure procedures call for purlin bracings every other rafter or every 4 feet).
- (2) One broken purlin at the front slope of passageway 2.
- (3) A very significant pronounced sag at the west slope of building 3 above units 210 and 211 and part of passageway 2 - this attic revealed cracked rafters, cracked purlins, cracked bracings, badly

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Complex 2 (continued)

rotted roof decking, and no ceiling insulation above portions of the mentioned units.

Pertaining to Dwelling Unit Separation between the buildings, there is one brick wall at the east side of building 2 that divides that attic space from the adjacent open attic spaces of passageway 2 and building 3, and one drywall partition at the west side of building 2 that divides that attic from the adjacent open attic spaces of passageway 1 and building 1. Again, as with Complex 1, there are multiple drywall draft stop partitions in place that separate different sections of attic spaces of buildings 1 and 3. All notes generated under Complex 1 pertaining to dwelling unit separation also apply to Complex 2.

DRAINAGE AND SITEWORK

The Complex 1 and Complex 2 properties were described in some detail on pages 2 and 3 of this report, to include the apartment buildings, other facilities, parking, driveways, and overall property dimensions.

Pertaining to sitework drainage, the property terrain is relatively flat in all directions but with some gradual north-to-south (front-to-rear) slope, as well as some gradual west-to-east slope. All drainage grades appear minimal but reasonably satisfactory.

Pertaining to sitework driveways, the concrete paving should be a concern to be addressed. The drive lane along the west side of Complex 1 is badly deteriorated and no longer economically feasible to patch repair. Several steel rebars are sticking up out of the broken concrete sections to cause concern to motorists. Recommend complete replacement of the drive with new 6-inch reinforced concrete paving, with 3500 psi load bearing capacity, and including adequate control joints and expansion joints. There may be other areas in need of repair, and certainly all paving cracks should be sealed to prevent moisture penetration.

Pertaining to sitework lighting, this property was not observed after dark so an accurate assessment cannot be stated in this report. It is stated that sitework lighting is one component where even a small expenditure can greatly enhance the appearance and value of the property. Nighttime security lighting would include spotlights or floodlights installed high on the buildings for greater effectiveness, and also to minimize glare to motorists. Carport and parking area lighting offers security as well as better traffic flow. Passageway and walkway lighting are essential to pedestrian flow to and from the apartments.

Pertaining to property signage, the apartment complexes are poorly identified and need an apartment name, readable street address numbers, and directions to the manager's office.

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HEATING AND COOLING SYSTEMS

Complex 1

One commercial grade central mechanical plant 2-pipe water heating and air conditioning system - indoor Lochinvar gas-fired hot water boiler (1986) - outdoor Carrier electric chiller (1999)(208/230-volt, 3-phase, 60-hz, 6 condensing fans) - both these components operate properly and appear in satisfactory condition - there are loose/open/exposed wiring electrical junction boxes suspended between the boiler and one of the water heaters in need of repair to secure and cover the boxes.

Off this main system, there are 60 individual apartment air handling units located above the hall ceilings, plus 1 additional unit at the manager's office - of approximately one-third of the air handling units observed, numerous units were extremely dirty accompanied with water leakage and hall ceiling damage - some of the units did not operate - each system has 1-16x20 disposable filter located at the hall ceilings of which all filters were extremely dirty - repairs should concentrate at the apartment units to include extensive maintenance cleaning and service, as well as water leakage repairs and component replacement as needed.

Complex 2

One commercial grade central mechanical plant 2-pipe water heating and air conditioning system - indoor RayPak gas-fired hot water boiler (1987) - outdoor York electric chiller (12/1998)(208/230-volt, 3-phase, 60-hz, 4 condensing fans) - the boiler does not readily light and appears to need service - also, the water piping above the boiler continues to leak - the chiller operates properly.

At least a portion of the 2-pipe system has been rerouted above ground to run along the upper walkway of building 1 from the mechanical plant building to building 2 - the reason for this change is unknown but it can be assumed that the underground run is damaged and needs repair.

Off this main system, there are 24 individual apartment air handling units located above the hall ceilings - of the 10 apartment units that were accessible, many units were extremely dirty and accompanied with water leakage and hall ceiling damage - many louvered ceiling panels were loose - as with complex 1, individual component repairs are needed.

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WATER HEATING EQUIPMENT

Complex 1

2 gas-fired water heaters connected together plumbing-wise to form one central system - recirculating booster pump in place - one water heater is Bradford White 98-gallon unit (2000) - one water heater is a no-name 100-gallon unit (an older unit with no readable rating plate) - system operates properly - units appear in satisfactory condition - both hot water supply piping fittings are leaking at/adjacent to the units.

Complex 2

1 gas-fired water heater - recirculating booster pump in place - water heater is a no-name 91-gallon unit (2001) - system operates properly - unit appears in satisfactory condition - water heater needs additional gas shutoff valve installed at floorline ahead of all unions.

PLUMBING SYSTEMS AND FIXTURES

Complex 1

The overall plumbing system consists of the domestic public water supply and waste water systems. The water heating equipment is broken out into a separate section above. There is a gas system to all apartment buildings and units, and also to the laundry/mechanical building. The gas meter is located under stair 11 at the front northeast corner of building 5.

The plumbing connections and fixtures within each apartment unit include the following:

- Kitchen Sink
- Bathroom(s) (Lavatory/Toilet/Tub & Shower)

Interior conditions (related to the plumbing systems and fixtures) in need of repair are broken down by accessible apartment units as follows:

Building 1 - Unit 203

- (1) Kitchen sink leakage.
- (2) Bath lavatory leakage (Aerator missing).
- (3) Bath toilet does not operate properly.
- (4) Bath tub leakage.

Building 1 - Unit 204

- (1) Kitchen sink leakage. Needs new rubber splash guard at sink opening.
- (2) Bath lavatory chips.
- (3) Bath toilet loose to floor.

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PLUMBING SYSTEMS AND FIXTURES (continued)

Complex 1 (continued)

Building 1 - Unit 205

- (1) Kitchen sink leakage.
- (2) Bath lavatory pop-up drain stopper missing.
- (3) Bath toilet broken.
- (4) Bath shower handle broken.
- (5) Bath shower head missing.

Building 1 - Unit 206

- (1) Bath lavatory pop-up drain stopper missing.
- (2) Bath toilet does not operate properly.
- (3) Bath tub leakage. (Tub drain stopper missing).

Building 2 - Units 109/110/111

- (1) Bath plumbing leakage under all 3 baths.

Building 2 - Unit 109

- (1) Kitchen sink has no hot water.
- (2) Bath lavatory rusted and leaking.
- (3) Bath toilet loose to floor and does not operate properly.
- (4) Bath tub spout missing.
- (5) Bath shower head missing.

Building 2 - Unit 110

- (1) Kitchen sink leakage.
- (2) Bath lavatory drain stopped up.
- (3) Bath toilet tank loose to commode.
- (4) Bath tub rusted and leaking.

Building 2 - Unit 209

- (1) Kitchen sink chipped.
- (2) Bath lavatory chipped.
- (3) Bath tub leakage. (No hot water to tub).

Building 2 - Unit 210

- (1) Kitchen sink chipped.
- (2) Bath lavatory rusted.
- (3) Bath toilet does not operate properly - toilet is leaking and continues to run.
- (4) Bath tub rusted - tub cold water faucet handle missing.

Building 2 - Unit 211

- (1) Bath plumbing leakage in general.

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PLUMBING SYSTEMS AND FIXTURES (continued)

Complex 1: (continued)

Building 3 - Unit 119

- (1) All plumbing items within this unit in very poor condition.
- (2) Kitchen sink chipped.
- (3) Bath plumbing leakage at both bathrooms and above Unit 219.
- (4) Both bathrooms need completely gutted with all new fixtures.

Building 3 - Unit 213

- (1) Kitchen sink leakage.
- (2) Bath tub faucet handles and drain stopper broken.
- (3) Bath shower head broken.

Building 3 - Unit 214

- (1) Bath toilet does not operate.
- (2) Bath tub rusted and leaking - tub drain stopper missing.

Building 4 - Units 120/121/122

- (1) Bath plumbing leakage at all 3 baths.
- (2) Bath wood flooring damage at all 3 baths.

Building 4 - Unit 120

- (1) Kitchen sink chipped.
- (2) Bath lavatory chipped/rusted/pop-up drain stopper missing.
- (3) Bath toilet leaking - does not operate properly.
- (4) Bath tub rusted/leaking/drain stopper missing.

Building 4 - Unit 121

- (1) Kitchen sink chipped/leaking.
- (2) Bath floor damage behind toilet.
- (3) Bath tub chipped/leaking/faucet handle missing.

Building 4 - Unit 221

- (1) Kitchen sink chipped.
- (2) Bath lavatory pop-up drain stopper missing.
- (3) Bath toilet does not operate properly - needs new parts.
- (4) Bath tub hot water faucet handle broken.

Building 5 - Unit 124

- (1) Kitchen sink leaking.
- (2) Bath lavatory chipped/leaking/needs new faucets.
- (3) Bath toilet does not operate properly - toilet continues to run.
- (4) Bath tub leaks.
- (5) Bath floor damage - bath floor tile cracked.

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PLUMBING SYSTEMS AND FIXTURES (continued)

Complex 1 (continued)

Building 5 - Unit 127

- (1) Kitchen sink faucet parts missing.
- (2) Bath lavatory rusted/leaking/pop-up drain stopper missing.
- (3) Bath shower faucet handles loose.
- (4) Bath plumbing leakage at both baths.

Building 5 - Unit 225

- (1) Kitchen sink spray attachment missing.
- (2) Bath tub rusted - tub faucets need replacement.

Additional plumbing items in need of repair:

Building 3 Attic

- (1) One plumbing vent stack has come apart in attic with open vent stack hole in roofline.

Laundry Room @ Laundry/Mechanical Building

- (1) Clothes washer plumbing vent stack does not extend through and above roofline.

PLUMBING SYSTEMS AND FIXTURES

Complex 2

The overall plumbing system consists of the domestic public water supply and waste water systems. The water heating equipment is broken out into a separate section above. There is a gas system to all apartment buildings and units, and also to the laundry/mechanical building. The gas meter is located at the Unit 104 patio area at the front northwest corner of building 1.

The plumbing connections and fixtures within each apartment unit include the following:

- Kitchen Sink
- Bathroom(s) (Lavatory/Toilet/Tub & Shower)

Interior conditions (related to the plumbing systems and fixtures) in need of repair are broken down by accessible apartment units as follows:

Building 1 - Unit 202

- (1) Kitchen sink chipped.
- (2) Bath lavatory has no hot water.
- (3) Bath toilet does not operate.
- (4) Bath tub rusted/needs new faucets.

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PLUMBING SYSTEMS AND FIXTURES (continued)

Complex 2 (continued)

Building 1 - Unit 203

- (1) Bath lavatory badly deteriorated - needs replacement.
- (2) Bath toilet cracked - needs replacement.
- (3) Bath tub badly deteriorated - needs replacement.

Building 1 - Unit 204

- (1) Kitchen sink chipped.
- (2) Bath lavatory rusted/leaking/pop-up drain stopper missing.
- (3) Bath tubs - rusted/leaking.

Building 2 - Units 105/106/107/108

- (1) Bath plumbing leakage at all 4 baths.
- (2) Bath wood flooring damage at all 4 baths.

Building 2 - Unit 105

- (1) Bath fixture plumbing leakage.

Building 2 - Unit 106

- (1) Bath fixture plumbing leakage (severe) at this bathroom and from Unit 206 above.

Building 2 - Unit 107

- (1) Entire unit in poor deteriorated condition.
- (2) Bath fixture plumbing leakage (both baths).
- (3) Bathrooms need gutted.

Building 2 - Unit 205

- (1) Bath toilet does not operate.
- (2) Bath tub rusted/leaking.

Building 2 - Unit 208

- (1) Kitchen sink chipped/leaking.
- (2) Bath lavatory pop-up drain stopper missing.
- (3) Bath tubs - rusted/leaking.

Building 3 - Unit 212

- (1) Kitchen sink chipped/leaking.
- (2) Bath toilets - tank lids missing.
- (3) Bath tubs - rusted/leaking/cracked tile/tub spout missing.

Additional plumbing items in need of repair:

Building 2

- (1) Sewer cleanout at front side of this building is backing up and overflowing.

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PLUMBING SYSTEMS AND FIXTURES (continued)

Complex 2 (continued)

Laundry Room @ Laundry/Mechanical Building

- (1) Clothes washer drain is clogged up and backing up onto mechanical room floor and flowing outside of building.

In summary of plumbing systems and fixtures at both complexes, both systems appear to be in overall poor condition in need of extensive repairs. There are multiple numerous plumbing leaks at most all buildings to include previously addressed wood flooring systems with very significant moisture damage. Generally speaking, these wood flooring system problems would need to be repaired from above the floorline which would involve bathroom floor tile removal. It should also be understood that some undetermined amount of plumbing leakage and wood flooring damage cannot be visually observed and would most likely show up during repairs. Pertaining to plumbing fixtures that could be observed in the roughly 30 apartment units that were accessible in some form or another, many of these fixtures (kitchen sink/bathroom lavatory/bathroom toilet/bathroom tub and shower) are in poor deteriorated condition and in many cases not operable, and these fixtures would need to be replaced or include extensive repairs.

KITCHEN APPLIANCES

Complexes 1 and 2 - All Apartment Units

Each apartment unit has a typical number of appliances or a kitchen space for these appliances, to include a gas cook stove, an updraft exhaust hood, and at least a space for a refrigerator. There are a few refrigerator units in place. There are a very few disposers in place. There are no dishwashers installed at any unit. There is a mixture of gas stove conditions, ranging from operable units in place to inoperable/disconnected units to no units at all. Pertaining to the updraft exhaust hoods, many of these vent hoods are missing/inoperable/badly deteriorated, and with the updraft vent pipe sections in the attic having come apart or missing which is not an acceptable condition - as discussed on page 28 of this report as these vent hoods relate to the roof, it would be advisable to eliminate these updraft type vent hoods altogether and replace them with "ventless" hoods as a much more economical solution than trying to replace the updraft types with connecting attic vent pipe sections to outside air above the roofline. Pertaining to new dishwasher installation (as so desired) at each of 84 units, this kitchen update would certainly improve the marketability of the apartments - the installations would include countertop/cabinet rework, as well as plumbing rework off kitchen sinks - it would need to be verified with the electrician, but it is this opinion that an available electrical outlet is already in place for future use.

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ELECTRICAL SYSTEMS

Complexes 1 and 2

Each complex has its own separate electrical system with separate incoming overhead service entrance drop from the rear alley utility poles to the rear wall of building 5 (for complex 1) and to the rear wall of building 1 (for complex 2). Electric meters are in place at these rear wall drop connections. Service capacity is 208/230-volt, 3-phase, with step-down to 120/240-volt, single-phase, to the apartment buildings. Many of the outdoor exterior wall panel boxes are enclosed and in many cases locked, but observations where accessible show each apartment building with its own panel boxes - usually 2 125-amp/24 maximum circuit breaker poles/no main service disconnect panel boxes - 1 panel box per floor - these boxes (as could be observed are Federal Pacific Electric Company panel boxes with Stab-Lok Load Center circuit breakers - these specific panel boxes are no longer to present code.

Each apartment unit has its own interior panel box with capacity of 100-amp/16 circuit breaker poles/no main service disconnect. All branch circuit wiring is copper conductor. Interior apartment panel boxes are installed in one of the bedroom closets.

Pertaining to interior apartment switches, outlets, and lighting, it is noted that all outlets throughout the complexes are 2-prong ungrounded receptacles, and with only a handful at most of outlets being installed in any of the bathrooms. All existing outlets should be upgraded to 3-prong grounded outlet receptacles, and to include new bathroom outlets. Further, there are numerous apartment units with inoperable or missing lights in need of general per-unit repair.

Pertaining specifically to Ground Fault Circuit Interrupter (GFCI) Protection, regardless of any "code" requirements, or the lack thereof, the State of Texas has considered the potential for injury or property loss to be sufficient to require licensed inspectors to report the absence or improper operation of these GFCI's at designated locations as "hazardous" and "in need of repair" when performing an inspection. It is recommended that test-reset button GFCI outlets be installed throughout both complexes at all designated locations to include all bathrooms, outdoors, and kitchen countertops.

SUMMARY

A summary list of items in need of repair will be forthcoming under separate cover - this summary list of repairs is not intended to change or replace this property evaluation report nor to act as an all-inclusive list. The client may desire to add to or delete items addressed in this summary. Please review the full report carefully for details beyond any summary.

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We appreciate this opportunity to be of service to you. Should you have any questions regarding our findings, or if you desire additional information, please do not hesitate to contact us.

Prepared by,



E. Dean Hosier
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LICENSED AND BONDED RESIDENTIAL AND COMMERCIAL INSPECTION CONSULTANTS

SUMMARY OF ITEMS IN NEED OF REPAIR

Summary Date: November 3, 2003

Client: EG&G Technical Services
U.S. Department of the Treasury
Seized Real Property Support
Attention: Mark Reum
1817 Mia Drive
Crest Hill, Illinois 60435

Management Contact: Ebby Halliday Realtors
Leasing and Property Management
Attention: Mary Vlamides
4455 Sigma Road
Dallas, Texas 75244

Property Addresses: Multi-Family Apartment Complex 1
5130 Belmont Avenue
Dallas, Texas 75206

and

Multi-Family Apartment Complex 2
5222 Belmont Avenue
Dallas, Texas 75206

SCOPE OF THE SUMMARY

Related to the Property Evaluation Report dated October 13, 2003, this summary list of repairs is not intended to change or replace the report nor to act as an all-inclusive list. The client may desire to add to or delete items addressed in this summary. Please review the full report carefully for details beyond this summary.

FOUNDATION AND STRUCTURE

Complex 1 and Complex 2

The wood flooring systems show varying degrees of moisture damage in need of repair. A summary of wood flooring system conditions reflects significant plumbing leakage and wood flooring system moisture damage at all 5 buildings and at most all first floor units of complex 1, and at least 2 of 3 buildings of complex 2. Much of the wood flooring damage has occurred under the various bathrooms, but in many areas has spread out to include supplemental damage and warping at adjacent rooms. Most (if not

all) bathrooms have ceramic tile floor covering in place that most likely would need to be removed if extensive flooring is to be replaced. It is further noted that many of these bathrooms show the ceramic tile to already be in poor condition.

Wood flooring system and crawl space observations are as follows:

Complex 1 -

Building 1 - Crawl space access located at Unit 101 - entire crawl space saturated with plumbing moisture - wood flooring system shows numerous areas of significant moisture damage, primarily under bathrooms.

Building 2 - Crawl space access located at Unit 110 - crawl space relatively dry except for plumbing leakage at all 3 ff bathrooms - wood flooring system shows significant moisture damage under all 3 ff bathrooms.

Building 3 - Crawl space access located at Unit 119 - entire crawl space saturated with plumbing leakage and moisture - master bath plumbing leakage at unit 119 has rotted out entire floor - master bath plumbing drain no longer connected up at unit 119 - one wood flooring system girder beam badly cracked under unit 119 - much of living room flooring warped at unit 119 - hall closet flooring damage at unit 119.

Building 4 - Crawl space access located at Unit 121 - plumbing leakage at all 3 ff bathrooms - wood flooring system shows significant moisture damage under all 3 ff bathrooms - closet floor damage at unit 121 - these units infested with fleas.

Building 5 - Crawl space access located at Unit 130 - much of crawl space saturated with plumbing moisture - living room and kitchen flooring warped at unit 124 - wood flooring system moisture damage under bathroom at unit 124 - kitchen flooring warped at unit 127 - wood flooring system moisture damage under both bathrooms at unit 127.

Complex 2 -

Building 1 - Crawl space access located at Unit 101 - crawl space relatively dry except for isolated plumbing leakage - hall bath tub leakage at unit 102 - some wood flooring damage at unit 102.

Building 2 - Crawl space access located at Unit 107 - entire crawl space saturated with plumbing moisture - wood flooring system moisture damage under all 4 ff units.

Building 3 - No accessible ff units to determine crawl space access location - could not observe crawl space conditions - could not observe interior conditions of ff units.

Pertaining to interior apartment unit conditions, a summary of the vacant unit conditions reflects significant moisture damage within the units, to include (but not limited to) various damage to walls/ceilings/floors/doors/windows/kitchen and bathroom cabinetwork in need of extensive repairs. Although the full report addresses the vacant units as observed, it can reasonably be assumed that many occupied units also need varying degrees of repair as well. As example, plumbing leakage and damage was observed at complex 1/building 3/unit 119 coming from above occupied unit 219. As example, plumbing leakage and damage was observed at complex 2/building 2/occupied unit 106 coming from above occupied unit 206. It can be further stated that some

of the units would need to be completely gutted because of the extensive damage - units such as complex 1/building 1/units 204 and 205, complex 1/building 3/unit 119, and complex 2/building 2/unit 107 - there most likely will be others.

Addressing windows and glazing, there are numerous window panes and sections throughout all building and floors with taped-in-place or otherwise loosely inserted plastic sheets instead of standard glazing - these panes and sections are too numerous to identify with individual apartment units and need to be addressed as a general repair for the entire complex. In addition to the plastic panes, there are numerous glass panes that are cracked or broken out also in need of repair. Further, there are numerous broken or missing window locks to be replaced.

Specifically addressing Complex 1/Building 4, this building is infested with fleas and needs to be treated as necessary.

The wood siding exteriors at the front side bay windows of buildings 1/3/5 of complex 1 show moisture damage in need of repair - there are a total of 6 two-story bay window sections with surrounding wood siding.

Numerous foundation vent screens are open at all buildings of both complexes (except buildings 2 and 4 of complex 1 with no foundation vents at all) - these vent screens need to be screen-patched to prevent animals from entering the crawl spaces.

BUILDING PLANNING

Regarding security devices (door and window locks), it is this opinion that all exterior doors should be equipped with 2 separate locking devices - a doorknob lockset and a deadbolt lock that is operated by an outer key and an inner turn latch. Present conditions show all evaluated units to have the proper door locks but at least 2 repair conditions do exist as follows:

- (1) Multiple front doors have the proper door locks in place but either the doors need replacement or the door locks (including door viewers) need some type of repair.
- (2) Multiple latch-type window locks are broken or missing to be replaced.

Regarding smoke detectors, it is this opinion that new smoke detectors should be installed at every bedroom and every bedroom hallway of every apartment unit - Complex 1 with 60 units would require 144 smoke detectors - Complex 2 with 24 units would require 70 smoke detectors. Read and follow manufacturer's instructions. Fresh batteries should be installed as needed or at least once a year. (Although the tenants may replace the batteries on their own, it is suggested that this procedure become part of the general maintenance program to assure full working order).

PASSAGEWAYS, STAIRWAYS, WALKWAYS, AND BALCONIES

Complex 1 and Complex 2

As could be observed, the makeup of the upper walkways and balconies is 2x8 joists at 12 inches on center and wood plank flooring covered with concrete topping - the bottom has plywood sheets and the outer edges have double 2x12 framing. The walkway support columns between the buildings bear directly onto the lower raised capped concrete walkways while the columns supporting the outer upper walkways of buildings 1 and 5 extend to ground-level.

Several elevated upper walkways and balconies of both complexes need repair. At least 2 stairways of complex 2 also need repair. These repairs itemized below should not be construed as an all-inclusive list, as other latent repairs may be discovered and added to the list.

Special repair notes -

- (1) All existing or added walkway and balcony support columns shall be 4-inch diameter standard weight steel pipe columns, to be firmly secured and properly anchored at both top and bottom.
- (2) Existing outdoor concrete topping cracks (not involving needed replacement) shall be sealed immediately to lessen water penetration into the wood frame structure.
- (3) All wood member replacement shall be pressure-treated #2 lumber or better.

Complex 1

Please refer to the schematic drawing on page 12 of the main report.

Repairs are as follows:

- (1) Upper walkway at west side of building 1 (see photo sheets 2 and 3) - walkway presently supported by 5 irregular spaced 4-inch diameter steel pipe columns with at least 2 columns out of vertical alignment - install (respace) 6 columns at regular 16-foot spacings.
- (2) 2 upper walkway balconies at east side of building 1 and west side of building 3 - these balconies are structurally unsound and should be removed and adjoining walkway and guardrail enclosed, or completely rebuilt with added new columns at the outer balcony corners. (see photo sheet 4).
- (3) Upper cantilever balcony at building 1 (see bottom of photo sheet 6) - this balcony needs extensive repairs to replace rotted wood members.
- (4) Upper walkway at rear of building 2 - outer 2x12 framing members at edge of walkway (see photo sheet 5) are rotted out and need to be replaced - there may be other members as well - upper walkway at rear of building 2 as viewed from below (see top of photo sheet 6) shows significant framing damage to be replaced/repared as needed - upper walkway at rear of building 2 (see photo sheet 7) shows concrete topping damage to be replaced.

- (5) Lower passageways 1-2-3-4 (see photo sheet 8) show upper walkway front cantilever sections adjacent to the front stairways with no support columns - install added new support columns at 14-foot spacings off the existing passageway column at the juncture with building 1 and building 2 walkways for needed upper walkway support - new columns would total 2 per passageway.
- (6) Upper walkway at west side of building 5 (see photo sheet 9) shows outer 2x12 framing damage and joist damage at the rear of walkway at juncture with stair 10 - extensive replacement is needed.
- (7) Upper walkway at rear of building 4 shows concrete topping damage with numerous cracks and loose pieces (specifically at unit 220 area) - this area of normal-weight concrete topping needs to be replaced.
- (8) Upper walkway at west side of building 3 at walkway balcony area (see photo sheet 10) shows conditions that reflect walkway roof overhang settlement and separation because of an unstable walkway balcony - balcony has already been addressed - once walkway stabilization has been achieved, then this roof over hang problem can be repaired.

Complex 2

Please refer to the schematic drawing on page 13 of the main report.

Repairs are as follows:

- (1) Upper walkways presently supported by irregular spaced 2-inch square metal columns (see photo sheet 12) - replace all 2-inch square columns with 4-inch diameter standard weight steel pipe columns at approximate 10-foot spacings.
- (2) Upper walkways presently supported by one 4-inch diameter steel pipe column at the inner walkway corner between buildings 1 and 2 (see top of photo sheet 13) - this column is loose to rotted walkway framing - wood framing needs repair and column needs to be resecured.
- (3) Upper walkway at front stair 1 shows missing concrete topping (see bottom of photo sheet 13) - this area of normal-weight concrete topping needs to be replaced.
- (4) Upper walkway outer rear corners adjacent to stairs 2 and 4 have no support columns as needed - install new 4-inch diameter standard weight steel pipe columns to ground-level.
- (5) Rear stair 4 has pulled away from upper walkway landing (see photo sheet 14) - stairway continues to vibrate and appears structurally unsound - this stairway section should be completely reset and resecured as necessary for a structurally stable unit.
- (6) Stairs 2 and 4 concrete treads are missing and need to be replaced.

ROOF AND ROOF STRUCTURE AND ATTIC

Complex 1 and Complex 2

The roof coverings of each complex consist of mostly 2 layers of composition shingle roof installed over 1x8 tongue and groove wood board decking. These roofs show varying degrees of wear and weathering and deterioration, ranging from fair condition to no longer functional. Weight restrictions, along with other considerations, would prevent further reroofing over the existing roof. All existing roof coverings need to be removed down to the decking and replaced with a new composition shingle roof. The roof decking will remain unless otherwise addressed (such as the conditions at building 4 of complex 1 and building 3 of complex 2). It is important to discuss roof openings in regard to installation of a new roof - first, there are numerous roof jack openings in place for the kitchen vent hoods where the vent hoods themselves are missing, inoperable, and badly deteriorated, and also many/most of the updraft vent pipe sections in the attic have come apart or are missing which is not acceptable - it would be advisable to eliminate these updraft type vent hoods altogether and replace them with "ventless" hoods, and in the process also do away with all of the roof jacks associated with the existing vent hoods - second, each building attic or enclosed section of attic needs some type of ventilation which would include an upper roofline vent other than the attic areas where a gable vent is already in place.

Estimating how much new roofing is required, considering building and elevated walkway overhangs, a 4/12 roof slope, and 10% waste:

Complex 1 - 37,327 SF or 373 squares

Complex 2 - 15,142 SF or 151 squares (plus an additional 748 SF for the separate laundry/mechanical building)

Estimating how much roof decking replacement is required (as could be observed), and again considering the same criteria:

Complex 1 - 4,038 SF (broken down as 1,490 SF for the rear slope of building 4 and 2,548 SF for additional elevated walkway overhangs)

Complex 2 - 1,242 SF (primarily concentrated at the west slope of building 3 above units 210 and 211 and part of the adjoining covered passageway)

Special Note - It should be understood that these above calculations are approximate rough estimates, as no "exact" measurements were taken - to complete the estimate, a qualified roofing contractor would need to measure the roof, as well as determine the necessary quantity of starter strips, drip edges, ridge row shingles, and other considerations, to submit a firm bid of work.

In addition to the roof covering and decking (by the roofing contractor), there are roof structure framing and attic repairs as follows:

- (1) Collectively for all building attics, many 2x4 purlin bracings have been installed at every third rafter, or at every sixth rafter, or at some areas no purlin bracings at all. (Standard roof structure

procedures call for purlin bracings installed every other rafter or every 4 feet to bear atop a load-bearing wall). Numerous new purlin bracings are needed.

- (2) Collectively for all passageway attics, no purlin bracings have been installed at all - complex 1 passageway attics are the most critical with 14-0 widths vs. 7-0 widths for complex 2.
- (3) Complex 1 - Passageway 1 - One cracked rafter at front slope.
- (4) Complex 1 - Building 3 - At least one cracked 2x4 ridge beam bracing. (All ridge beam bracings should be a "T" type design for greater stability).
- (5) Complex 1 - Building 5 - At least one cracked rafter, one cracked purlin, and one cracked ridge beam bracing.
- (6) Complex 1 - Building 4 - A very significant pronounced sag at rear slope most likely indicates isolated roof framing failure and/or roof decking damage - no attic access at this building - recommend installing a new attic opening at one of upstairs units (220/221/222) to observe and repair as necessary.
- (7) Complex 2 - Passageway 2 - One broken purlin at front slope.
- (8) Complex 2 - Building 3 - A very significant pronounced sag at west slope above units 210 and 211 and part of passageway 2 - this attic revealed cracked rafters, cracked purlins, cracked bracings, badly rotted roof decking, and no ceiling insulation above portions of mentioned units.
- (9) Collectively for all building attics, attic-side gable vent screens are deteriorated with open holes - new screens are needed to prevent birds and animals from entering into these attic spaces - complex 1 has gable vents at west and south sides of building 1, at south side of building 3, and at east and south sides of building 5 (5 vents in all) - complex 2 has gable vents at west and south sides of building 1 and at east and south sides of building 3 (4 vents in all).
- (10) There are a few (but not enough) upper roofline vents at attic areas with no gable vents - recommend installing at least one new roofline vent at every partitioned attic space as part of reroofing installation.

Pertaining to Dwelling Unit Separation between buildings, certain repairs are needed to improve drywall draft stop partition performance as follows:

- (1) Install drywall draft stop partitions within 3-foot roof eaves at north end of brick walls at each side of buildings 2 and 4 of complex 1.
- (2) It is important to assure that "all" partitions that divide attic spaces are intact with "no openings during non-use" - even small openings where a pipe or roof framing member penetrates through drywall should be sealed with foam insulation or equivalent - where a drywall opening is available for access from one attic space to another, then this opening needs to be suitable to close up during those non-use periods.

Pertaining to roof rainwater control, it is recommended that a complete new gutter and downspout system be installed around all apartment buildings to include guttering across entire front side and downspouts down to ground-level.

DRAINAGE AND SITEWORK

Pertaining to sitework driveways, the concrete paving should be a concern to be addressed. The drive lane along the west side of complex 1 is badly deteriorated and no longer economically feasible to patch repair. Several steel rebars are sticking up out of the broken concrete sections to cause concern to motorists. Recommend complete replacement of the drive with new 6-inch reinforced concrete paving, with 3500 psi load bearing capacity, and including adequate control joints and expansion joints. There may be other areas in need of repair, and certainly all paving cracks should be sealed to prevent moisture penetration.

Pertaining to sitework lighting, it is stated that sitework lighting is one component where even a small expenditure can greatly enhance the appearance and value of the property. Nighttime security lighting would include spotlights or floodlights installed high on the buildings for greater effectiveness, and also to minimize glare to motorists. Carport and parking area lighting offers security as well as better traffic flow. Passageway and walkway lighting are essential to pedestrian flow to and from the apartments.

Pertaining to property signage, the apartment complexes are poorly identified and need an apartment name, readable street address numbers, and directions to the manager's office.

HEATING AND COOLING SYSTEMS

Complex 1

One commercial grade central mechanical plant 2-pipe water heating and air conditioning system. There are loose/open/exposed wiring electrical junction boxes suspended between the mechanical plant boiler and one of the complex water heaters in need of repair to secure and cover the boxes.

Complex 2

One commercial grade central mechanical plant 2-pipe water heating and air conditioning system. The boiler does not readily light and appears to need service - the water piping above the boiler continues to leak - at least a portion of the 2-pipe system has been rerouted above ground to run along the upper walkway of building 1 from the mechanical plant building to building 2 - the reason for this change is unknown but it can be assumed that the underground run is damaged and needs repair.

HEATING AND COOLING SYSTEMS (continued)

Complex 1 and Complex 2

Off the central plant system of complex 1, there are 60 individual apartment air handling units located above the hall ceilings, plus 1 additional unit at the manager's office. Off the central plant system of complex 2, there are 24 individual apartment air handling units located above the hall ceilings. A total of 85 air handling units for both complexes.

Of approximately one-third of the air handling units observed, numerous units were extremely dirty accompanied with water leakage and hall ceiling damage. Some of the units did not operate. Filters were extremely dirty. Many louvered ceiling panels were loose. Repairs should concentrate at the apartment units to include extensive maintenance cleaning and service, as well as water leakage repairs and component replacement as needed. Although only a one-third segment of these air handling units were observed to reflect these conditions, it can be assumed that each and every unit needs at least some service.

WATER HEATING EQUIPMENT

Complex 1

Both hot water supply piping fittings are leaking at/adjacent to the water heater units at the separate detached laundry/mechanical building.

Complex 2

Water heater needs an additional gas shutoff valve installed at the floor-line ahead of all pipe unions to enable this water heater to be shut off without affecting any other gas system or appliance.

PLUMBING SYSTEMS AND FIXTURES

Complex 1 and Complex 2

In summary of plumbing systems and fixtures at both complexes, both systems appear to be in overall poor condition in need of extensive repairs. There are multiple numerous plumbing leaks at most all buildings to include previously addressed wood flooring systems with very significant moisture damage. Generally speaking, these wood flooring system problems would need to be repaired from above the floorline which would involve bathroom floor tile removal. It should be understood that some undetermined amount of plumbing leakage and wood flooring damage cannot be visually observed and would most likely show up during repairs. Pertaining to plumbing fixtures that could be observed in the roughly 30 apartment units that were accessible in some form or another, many of these fixtures (to include kitchen sinks, bathroom lavatories, bathroom toilets, and bathroom tubs and showers) are in poor

deteriorated condition and in many cases not operable. These fixtures would need to be replaced or include extensive repairs.

Additional plumbing items in need of repair (outside of the individual apartment units) are as follows:

Complex 1 -

- (1) Building 3 attic - one plumbing vent stack has come apart in the attic with an open vent stack hole in the roofline.
- (2) Laundry/Mechanical Building - clothes washer plumbing vent stack does not extend through and above the roofline.

Complex 2 -

- (1) Building 2 - the sewer cleanout at the front side of the building is backing up and overflowing.
- (2) Laundry/Mechanical Building - the clothes washer drain is clogged up and backing up onto the mechanical room floor and flowing outside the building.

KITCHEN APPLIANCES

Complex 1 and Complex 2

Each apartment unit has a typical number of appliances or a kitchen space for these appliances, to include a gas cook stove, an updraft exhaust hood, and at least a space for a refrigerator. There are a few refrigerator units in place. There are a very few disposers in place. There are no dishwashers installed at any unit. There is a mixture of gas stove conditions, ranging from operable units in place to inoperable/disconnected units to no units at all. Pertaining to the updraft exhaust hoods, many of these vent hoods are missing, inoperable, badly deteriorated, and with the updraft vent pipe sections in the attic having come apart or missing which is not an acceptable condition. As discussed previously as these vent hoods relate to the roof, it would be advisable to eliminate these updraft type vent hoods altogether and replace them with "ventless" hoods as a much more economical solution than trying to replace the updraft types with connecting attic vent sections to outside air above the roofline. Pertaining to new dishwasher installation (as so desired) at each of 84 apartment units, this kitchen update would certainly improve the marketability of the apartments. The installation would include countertop/cabinet rework, as well as plumbing rework off kitchen sinks. It would need to be verified with the electrician but it is this opinion that an available electrical outlet is already in place for future use.

In summary, as discussed, 84 new dishwashers would be needed (plus kitchen rework) and 84 new "ventless" exhaust hoods would also be needed. Gas cook stoves would need varying types of repair (making sure that there is a gas shutoff valve within the kitchen space at all stove units) ranging from repair to replacement. The same condition applies to refrigerators, with some new refrigerator units needed. Kitchen sink disposers may be optional but it should be assumed that most kitchens do not have a disposer in place.

ELECTRICAL SYSTEMS

Complex 1 and Complex 2

Many of the outdoor apartment building panel boxes are manufactured by Federal Pacific Electric Company with Stab-Lok Center circuit breakers, with these panel boxes no longer to present code. It is recommended that the licensed electrician involved in varying complex repairs be consulted to evaluate these boxes and any need for repairs or replacement.

Pertaining to interior apartment switches, outlets, and lighting, it is noted that all outlets throughout both complexes are 2-prong ungrounded receptacles, and with only a handful at most of outlets being installed in any of the bathrooms. All existing outlets should be upgraded to 3-prong grounded outlet receptacles, and to include new bathroom outlets. Further, there are numerous apartment units with inoperable or missing light fixtures in need of general per-unit repair. And keep in mind if any changes and/or additions in the outdoor sitework lighting take place, then this work would also include additional electrical work.

Pertaining specifically to Ground Fault Circuit Interrupter (GFCI) Protection, regardless of any "code" requirements, or the lack thereof, the State of Texas has considered the potential for injury or property loss to be sufficient to require licensed inspectors to report the absence or improper operation of these GFCI's at designated locations as "hazardous" and "in need of repair" when performing an inspection. It is recommended that test-reset button GFCI outlets be installed throughout both complexes at all designated locations, to include all bathrooms, outdoors, and kitchen countertops.

- end of the summary -

Prepared by,



E. Dean Hosier
President
Associated Building Consultants

State of Texas No. 467

Office Phone 972-416-6081

Office Fax 972-416-7162

Exhibit A

LEGAL DESCRIPTION

Sale No.: 05-66-844
Seizure No.: 2004-7406-500001-01-001
Parcel ID: 00000192328000000 & 00000192325000000
Property Description: Apartment Complex
Property Address: 5222 & 5130 Belmont Avenue
Property City/State/Zip Code: Dallas, Texas 75206

Legal Description:

TRACT 1:

Being LOTS 3, 4, 5 and 6 in BLOCK C, CITY BLOCK 1993, of BON VIEW PLACE, an Addition to the City of Dallas, Dallas County, Texas, according to the Plat recorded in Volume 1, Page 43, Map Records, Dallas County, Texas, and being more particularly described as follows;

BEGINNING at a point in the Southeast line of Belmont Street, (a 50 foot R.O.W.), said point being South 38 degrees 53 minutes West, a distance of 200.00 feet from the Intersection of the said Southeast line of Belmont Street with the Southwest line of N. Henderson Avenue, (a 50 foot R.O.W.), said point also being the most Northerly corner of said Lot 6, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the common line of Lots 6 and 7, a distance of 200.00 feet to a point in the Northwest line of a 20 foot alley, said point being the most Easterly corner of said Lot 6, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the Northwest line of said 20 foot alley, a distance of 400.00 feet to the most Southerly corner of said Lot 3, a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 00 minutes West, with the common line of Lots 2 and 3, a distance of 200.00 feet to a point in the said Southeast line of Belmont Street, said point being the most Westerly corner of said Lot 3, a 1/2 inch iron rod found for corner;

THENCE North 38 degrees 53 minutes East, with said Southeast line of Belmont Street, a distance of 400.00 feet to the PLACE OF BEGINNING and containing 79,544 square feet of land, more or less.

TRACT 2:

Being LOT 7 and part of LOT 8, BLOCK C, CITY BLOCK 1993, of BON VIEW PLACE, an Addition to the City of Dallas, Dallas County, Texas, according to the plat recorded in Volume 1, Page 43, Map Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at the intersection of the Southeast line of Belmont Street, (a 50 foot R.O.W.), with the Southwest line of N. Henderson Avenue, a 50 foot R.O.W.), said point being the most Northerly corner of said Lot 8, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the said Southwest line of N. Henderson Avenue, a distance of 150.00 feet, to the Northeast corner of a tract of land conveyed to Lynda P. Demoss by deed recorded in Volume 89251, Page 3462, Deed Records, Dallas County, Texas, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the North line of said Demoss tract, a distance of 100.00 to a point in common line of Lot 7 and 8, a 1/2 inch iron rod found for corner;

EXHIBIT "A"

THENCE South 45 degrees 00 minutes East, with the common line of Lots 7 and 8, a distance of 50.00 feet to a point in the Northwest line of a 20 foot alley, same being the common Easterly corner of said Lots 7 and 8, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the Northwest line of said 20 foot alley, same being with the Southeast line of said Lot 7, a distance of 100.00 feet to the most Southerly corner of said lot 7, a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 00 minutes West, with the common line of Lots 6 and 7, a distance of 200.00 feet to a point in the said Southeast line of Belmont Street, said point being the common Westerly corner of Lots 6 and 7, a 1/2 inch iron rod found for corner;

THENCE North 38 degrees 53 minutes East, with the said Southeast line of Belmont Street, a distance of 200.00 feet to the PLACE OF BEGINNING and containing 34,801 square feet of land, more or less.

NOTE: THE COMPANY DOES NOT REPRESENT THAT THE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

Zoning and Deed Restrictions

Zoning

The appraisal property is zoned "MF-2(A)" (Multifamily). The MF-2(A) district is composed mainly of areas containing mixtures of single family, duplex, and multifamily dwellings and certain uniformly developed multifamily dwelling sections. The MF-2(A) district is a medium density district and is located in certain areas close into the center of the city and at various outlying locations.

Some of the uses allowed under the existing "MF-2(A)" zoning are:

Multifamily	Duplex
Single Family	Church
Community home	Hotel
Public park	College dormitory

The above is not a comprehensive list of all allowable uses, but a representative sample of typically allowed uses.

Uses that are allowed under a Special Use Permit include :

Hospital	Library
School	Child care facility

Uses that are specifically prohibited in the "MF-2(A)" zoning include most commercial and industrial uses.

Lot and area restrictions for this zoning are summarized as follows:

Maximum Building Height:	36 feet unless adjacent residential districts R, R(A), D, D(A), TH, or TH (A)
Maximum Number of Units Per Acre:	None
Maximum Lot Coverage:	60% for residential structures, 50% for nonresidential structures
Minimum Lot Size:	Single family: 1,000 s.f. Duplex: 3,000 s.f. Multifamily: 800 s.f. (No separate bedroom) 1,000 s.f. (One bedroom) 1,200 s.f. (>One bedroom) +150 s.f. (Each BR over 2)

Building Setbacks:

Front	15 feet
Rear	10 feet for structure other than single family or duplex
Side	10 feet for structure other than single family or duplex

Landscaping:

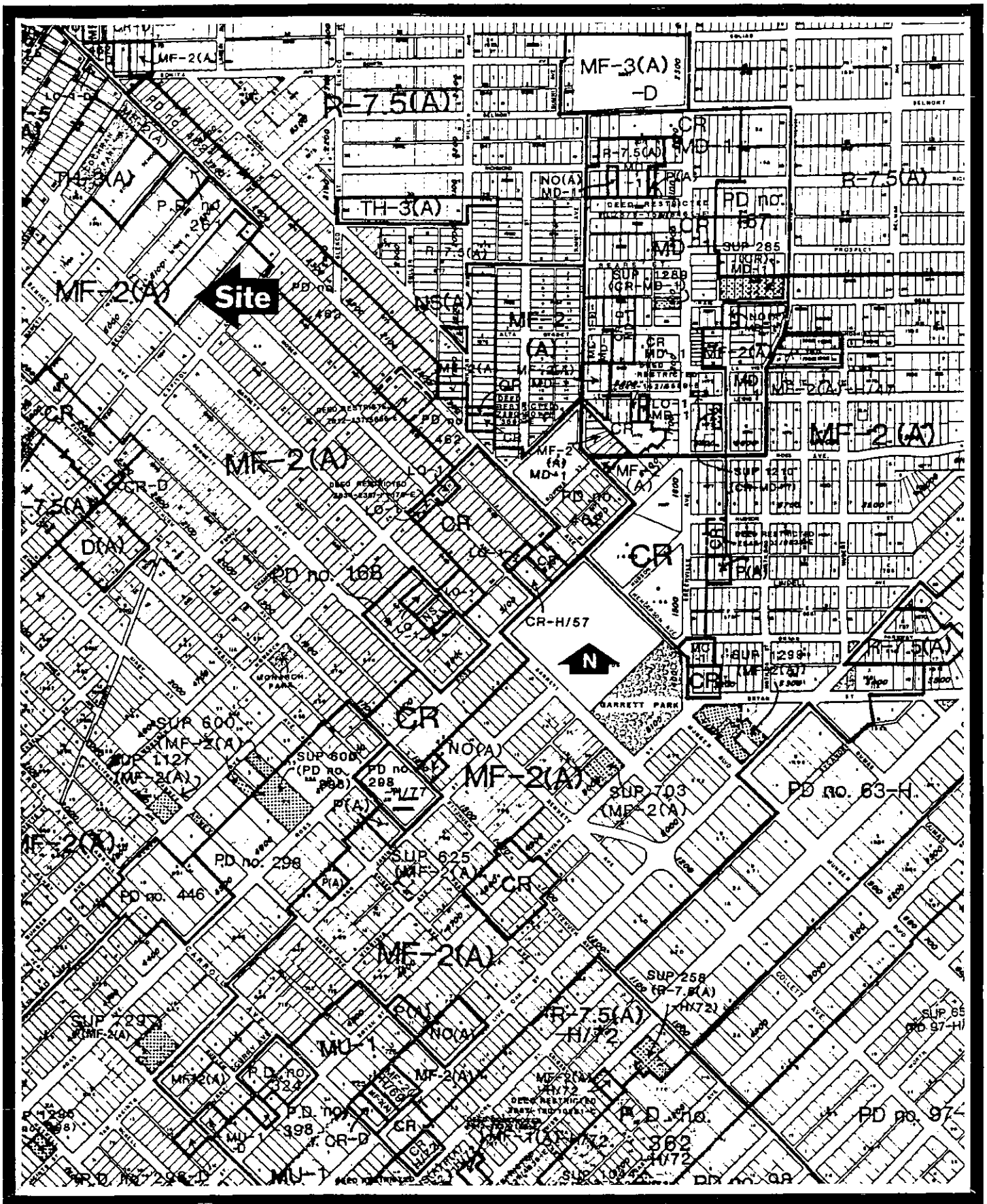
Landscape plan must be submitted

Parking Requirements:

Determined by use; for multifamily use, one space per 500 square feet of dwelling unit floor area within the building site. Given the subject's rentable area of 63,054 s.f., 126 spaces are required. As configured the subject's 140 spaces are more than enough, however, if the tandem parking issue is addressed by removing half of the 80 covered spaces, only 100 spaces would be available, with the need for an additional 26 spaces to meet zoning requirements. It appears, due to the layout of the buildings versus the land area, that it would be difficult to find enough space for the additional 26 spaces. Thus, it might not be possible to cure the functionally obsolete tandem parking issue.

Deed Restrictions

No private deed restrictions further limiting the use of the appraisal land were observed by the appraiser during the inspection of the subject property. This statement should not be taken as a guarantee or warranty that no such restrictions exist. Deed restrictions are a legal matter in the State of Texas and only a title examination by a competent attorney would normally uncover such restrictive covenants. Thus, an examination by a competent title attorney is recommended on the appraisal property if any questions regarding such restrictions arise.



Zoning Map

RENT ROLLS AS OF 3/15/05

Property Address	Status	Dec Rent	Dec Paid	Jan Rent	Jan Paid	Jan Due	Feb Rent	Feb Paid	Mar Rent	Mar Paid
5222 BELMONT										
101	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
102	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
103	Leased	\$ 650		\$ 650	\$ 650		\$ 650	\$ 650		
104	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
105	Leased	\$ 500	\$ 500	\$ 500	\$ 500		\$ 500	\$ 500	\$ 250	
106	Vacant									
107	Vacant									
108	Leased 2/15/05						\$ 325	\$ 325	\$ 325	
109	Leased	\$ 650	\$ 650	\$ 650	\$ 325	\$ 325	\$ 325	\$ 325	\$ 650	\$ 650
110	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 350	\$ 350
111	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
112	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 325	\$ 325	\$ 325	
201	Vacant									
202	Vacant									
203	Vacant									
204	Leased	\$ 650		\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
205	Vacant									
206	Vacant									
207	Vacant									
208	Vacant									
209	Vacant									
210	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
211	Leased	\$ 380	\$ 380	\$ 380	\$ 380		\$ 240			
212	Vacant									
5222 Totals		\$ 7,380	\$ 6,080	\$ 7,380	\$ 7,055		\$ 6,915	\$ 6,675	\$ 5,800	\$ 4,900

NOTE: All leases are month-to-month. No security deposits were collected from tenants.

RENT ROLLS AS OF 3/15/05

Property Address	Status	Dec Rent	Dec Paid	Jan Rent	Jan Paid	Jan Due	Feb Rent	Feb Paid	Mar Rent	Mar Paid
5130 BELMONT 1st Floor										
101	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 325	\$ 325
102	Leased	\$ 550	\$ 550	\$ 550	\$ 550		\$ 550	\$ 550	Vacant	
103	Vacant									
104	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
105	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
106	Leased						\$ 550	\$ 550	\$ 550	\$ 550
107	Leased	\$ 550	\$ 550	\$ 550	\$ 550		\$ 550	\$ 550	\$ 275	
108	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
109	Leased 3/15/04								\$ 250	\$ 250
110	Leased	\$ 550	\$ 550	\$ 550	\$ 550		\$ 550	\$ 550	\$ 275	
111	Leased	\$ 550	\$ 550	\$ 550	\$ 550		\$ 550	\$ 550	\$ 275	
112	Vacant									
113	Leased	\$ 550				\$ 550				
114	Vacant									
115	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 325	
116	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
117	Leased						\$ 275	\$ 275	\$ 275	
118	Vacant									
119	Vacant									
120	Leased	\$ 500	\$ 500	\$ 500	\$ 500		\$ 500	\$ 500	\$ 500	\$ 500
121	Leased	\$ 500	\$ 500	\$ 500	\$ 500		\$ 500	\$ 500	\$ 500	\$ 500
122	Leased	\$ 500	\$ 500	\$ 500	\$ 500		\$ 250			
123	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 325	
124	Leased	\$ 550	\$ 550	\$ 550	\$ 550		\$ 550	\$ 550	\$ 275	
125	Leased	\$ 450	\$ 450	\$ 450	\$ 450		\$ 450	\$ 450	\$ 450	
126	Leased	\$ 700	\$ 700	\$ 700	\$ 700		\$ 700	\$ 700	\$ 350	
127	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 650	\$ 650
128	Leased	\$ 400	\$ 400	\$ 400	\$ 400	\$ 500	\$ 400	\$ 400	\$ 200	
129	Leased	\$ 500	\$ 500	\$ 500	\$ 500		\$ 500	\$ 500	\$ 500	\$ 500
130	Leased	\$ 650	\$ 650	\$ 650	\$ 650		\$ 650	\$ 650	\$ 325	
5130 1st Floor Totals		\$ 12,700	\$ 12,150	\$ 12,150	\$ 12,150	\$ 1,050	\$ 12,725	\$ 12,475	\$ 9,225	\$ 5,875

NOTE: All leases are month-to-month. No security deposits were collected from tenants.

RENT ROLLS AS OF 3/15/05

Property Address	Status	Dec Rent	Dec Paid	Jan Rent	Jan Paid	Feb Rent	Feb Paid	Mar Rent	Mar Paid
5130 BELMONT 2nd Floor									
201	Leased	\$ 650						\$ 200	
202	Vacant								
203	Vacant								
204	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
205	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
206	Leased	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 275	
207	Vacant								
208	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
209	Leased	\$ 500	\$ 500	\$ 500	\$ 500	\$ 550	\$ 550	\$ 275	
210	Vacant								
211	Leased	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
212	Leased							\$ 325	\$ 325
213	Leased	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
214	Vacant								
215	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
216	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 325	
217	Leased	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550
218	Vacant								
219	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
220	Leased							\$ 500	\$ 500
221	Leased			\$ 500	\$ 500	\$ 500	\$ 500		
222	Leased	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 250	
223	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
224	Leased	\$ 600							
225	Vacant								
226	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
227	Leased	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650		
228	Leased	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
229	Vacant								
230	Vacant								
5130 2nd Floor Totals		\$ 10,700	\$ 9,450	\$ 9,950	\$ 9,950	\$ 10,000	\$ 10,000	\$ 8,750	\$ 7,425

NOTE: All leases are month-to-month. No security deposits were collected from tenants.

Net Oct/Nov/Dec 2003 Inc/Exp		\$	(35,748.35)				
JANUARY 2004 INCOME		Amt	Description	Date	5130dx	5222cv	
Rents Collected	20040202	\$ (4,325.00)	Rents Collected	1/3/04	\$ 2,425.00	\$ 1,900.00	
JCW Elec /Payphone	20040202	\$ (4.68)	Payphone	1/3/04	\$ 4.68	\$ -	
Rents Collected	20040202	\$ (7,900.00)	Rents Collected	1/5/04	\$ 6,900.00	\$ 1,000.00	
Rents Collected	20040202	\$ (4,090.00)	Rents Collected	1/6/04	\$ 3,590.00	\$ 500.00	
Rents Collected	20040116	\$ (1,736.00)	Rents Collected	1/8/04	\$ 541.00	\$ 1,195.00	
Rents Collected	20040116	\$ (1,350.00)	Rents Collected	1/12/04	\$ 1,350.00	\$ -	
Rents Collected	20040202	\$ (3,125.00)	Rents Collected	1/16/04	\$ 1,775.00	\$ 1,350.00	
Rents Collected	20040202	\$ (3,025.30)	Rents Collected	1/19/04	\$ 2,785.00	\$ 240.30	
Rents Collected	20040202	\$ (1,325.00)	Rents Collected	1/23/04	\$ 675.00	\$ 650.00	
Rents Collected	20040202	\$ (650.00)	Rents Collected	1/26/04	\$ 325.00	\$ 325.00	
Rents Collected	20040202	\$ (1,100.00)	Rents Collected	1/27/04	\$ 1,100.00	\$ -	
Rents Collected		\$ (28,630.98)			\$ 21,470.68	\$ 7,160.30	
Less 10% January Mgmt	Ck#1117	\$ 3,000.00				\$ 28,630.98	
Net January Income(Rent-Comm)		\$ (25,630.98)					

JANUARY 2004 EXPENSE!		Check #	Amt	Description	Date		
Town North Bank	11/03 bk strtmt	\$ 53.00	Deposit tickets/Bank fee	11/04-1/30/04	Belm5130		
Baldomero Cruz-A	1079	\$ 638.00	Svc 1/5-1/17	1/16/04	Belm 5130/5222		
Counterforce USA	1080	\$ 97.20	12/21/03-1/21/04	1/16/04	Belm 5130/5222		
Crime Strike Inc.	1081	\$ 243.56	January Mthly Svc	1/16/04	Belm 5130/5222		
Community Waste Disposal	1082	\$ 647.88	A/C#1-1599-0	1/16/04	Belm 5130/5222		
Dallas Water Utilities	1083	\$ 2,292.12	1/12/04, 32 days	1/16/04	5130 Belmont		
Dallas Water Utilities	1084	\$ 1,049.07	1/12/04, 32 days	1/16/04	5222 Belmont		
Dallas Water Utilities	1085	\$ 1,163.06	12/11/03	1/16/04	5222 Belmont		
Dallas Water Utilities	1086	\$ 2,460.52	12/11/03	1/16/04	5130 Belmont		
Delfina Perez Campos	1087	\$ 320.00	Svc 1/5-1/17	1/16/04	Belm 5130/5222		
Frederico Preciado	1088	\$ 25.00	clean carpet, 101cv	1/16/04	5222 Belmont		
Frederico Preciado	1089	\$ 43.00	clean carpet, 219dx	1/16/04	5130 Belmont		
Frederico Preciado	1090	\$ 25.00	clean carpet	1/16/04	5130 Belmont		
Jesus Garcia	1091	\$ 863.30	Svc 1/5-1/17, elec/plumb	1/16/04	Belm 5130/5222		
Jose Ayala	1092	\$ 1,780.00	Svc 1/5-1/17	1/16/04	Belm 5130/5222		

Jose Sierra	1093	\$	640.00	Svc 1/5-1/17	1/16/04 Belm 5130/5222
Jose Ayala	1094	\$	234.63	Reimb for paint/hardrails	1/16/04 Belm 5130/5222
Juan Joya	1095	\$	150.00	ydwk/clean, 1/6, 1/13	1/16/04 Belm 5130/5222
Juan Joya	1096	\$	215.73	Home depot/toilet/tile-116dx	1/16/04 5130 Belmont
Juan Joya	1097	\$	391.19	Inventory/HmDp/Teter/Lowe	1/16/04 Belm 5130/5222
Tx Dept of Licensing	1098	\$	90.00	Boiler certificate/insp fees	1/16/04 5222 Belmont
Txu Electric	1099	\$	3,923.16	a/c#255-4067-90-6, 11/3-12,	1/16/04 5130 Belmont
Txu Electric	1100	\$	1,576.31	a/c#255-3946-88-6, 11/3-12/	1/16/04 5222 Belmont
TXU Gas	1101	\$	2,368.60	a/c#469-1723-96-1, 11/24-12	1/16/04 5130 Belmont
Txu Gas	1102	\$	1,056.46	a/c#469-1722-98-9, 11/24-12	1/16/04 5222 Belmont
Uly Vlamides	1103	\$	215.00	reimb for bldg insp co permit	1/16/04 Belm 5130/5222
Uly Vlamides	1104	\$	2,473.07	reimb for inventory/	1/16/04 Belm 5130/5222
December check	1105	\$	-	December	12/30/03
Baldomero Cruz-A	1106	\$	629.20	Svc 1/19-1/31	1/30/04 Belm 5130/5222
Crime Strike Inc.	1107	\$	243.56	November Mthly Svc	1/30/04 Belm 5130/5222
Crime Strike Inc.	1108	\$	243.56	December Mthly Svc	1/30/04 Belm 5130/5222
Delfina Perez Campos	1109	\$	295.00	Svc 1/19-1/31, clean apt/lau	1/30/04 Belm 5130/5222
Jesus Garcia	1110	\$	853.60	Svc 1/19-1/31, tile/repairs	1/30/04 Belm 5130/5222
Jose Ayala	1111	\$	1,800.00	Svc 1/19-1/31, manage	1/30/04 Belm 5130/5222
Jose Sierra	1112	\$	640.00	Svc 1/19-1/30, paint/tile/han	1/30/04 Belm 5130/5222
Juan Joya	1113	\$	150.00	Ydwk/clean, 1/20, 1/27	1/30/04 Belm 5130/5222
SBC	1114	\$	49.39	214/821-2524	1/30/04 Belm 5130/5222
Txu Electric	1115	\$	2,175.84	12/4-1/6/04 + Bal 9-10/03	1/30/04 5222 Belmont
Txu Electric	1116	\$	5,523.40	12/4-1/6/04 + Bal 9-10/03	1/30/04 5130 Belmont

Total January Expenses

\$ 37,638.41

Net January Income/Expense

\$ 12,007.43

FEBRUARY 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040206	\$ (8,458.00)	Rents Collected	2/3/04	\$ 6,633.00	\$ 1,825.00
Rents Collected	20040210	\$ (6,787.00)	Rents Collected	2/2/04	\$ 4,575.00	\$ 2,212.00
Rents Collected	20040210	\$ (4,175.00)	Rents Collected	2/6/04	\$ 2,825.00	\$ 1,350.00
Rents Collected	20040210	\$ (5.37)	Rents Collected	2/6/04	\$ 5.37	\$ -
Rents Collected	20040212	\$ (2,320.00)	Rents Collected	2/11/04	\$ 1,995.00	\$ 325.00
Rents Collected	20040301	\$ (5,435.00)	Rents Collected	2/17/04	\$ 3,992.00	\$ 1,443.00
Coin Machine Collected	20040301	\$ (331.99)	Coin Machine	2/25/04	\$ 166.00	\$ 165.99
Rents Collected	20040301	\$ (1,995.00)	Rents Collected	2/25/04	\$ 1,020.00	\$ 975.00
February Income		\$ (29,507.36)			\$ 21,211.37	\$ 8,295.99
Less February 10% Commission		\$ 2,950.73				\$ 29,507.36
Less new lease 5130 Belmo	1156	\$ 275.00	\$ 3,225.73			
February Net Income (Rent - Comm)		\$ (26,281.63)				
FEBRUARY 2004 EXPENSES		Amt	Description	Date		
Crime Strike Inc.	1118	\$ 243.56	February Mthly Svc	2/1/04	Belm5130/5222	inv.#03-1156
Jose Ayala	1119	\$ 142.81	Reimb Inv/oil/t-hnd/wheel	2/1/04	Belm5130/5222	stmnt
Sherwin Williams	1120	\$ 302.68	Vinyl kit/din,	2/1/04	5130 Belmont	inv.#5721-0
Sherwin Williams	1121	\$ 355.72	Carpet/pad, 109dx	2/1/04	5130 Belmont	inv.#5533-9
Sherwin Williams	1122	\$ 149.90	Carpet/pad, 226dx	2/1/04	5130 Belmont	inv.#5534-7
Sherwin Williams	1123	\$ 569.62	Carpet/pad, 205dx	2/1/04	5130 Belmont	inv.#5536-2
Sherwin Williams	1124	\$ 211.40	Vinyl, Initiator roll/127dx	2/1/04	5130 Belmont	inv.#5537-0
Sherwin Williams	1125	\$ 211.40	Vinyl, Initiator roll/102dx	2/1/04	5130 Belmont	inv.#5538-8
Uly Vlamides	1126	\$ 25.82	Reimb for glass windows	2/1/04	5130 Belmont	stmnt
CWD Waste	1127	\$ 647.88	February Mthly Svc	2/6/04	Belm5130/5222	#1-1598-0
Juan Joya	1128	\$ 552.04	Reimb for Inventory	2/6/04	Belm5130/5222	stmnt
Pierce Electrical Services	1129	\$ 7,178.06	Electrical repairs	2/6/04	Belm5130/5222	inv.#1143
Baldomero Cruz	1130	\$ 600.60	svcs rendered-2/2-2/14/04	2/13/04	Belm5130/5222	
DelFina Peres	1131	\$ 260.00	Clean pking/yd/laun,2/2-2/14	2/13/04	Belm5130/5222	
Jesus Garcia	1132	\$ 873.00	fix leak/repair tile,2/2-2/14	2/13/04	Belm5130/5222	

Jose Ayala	1133	\$	1,820.00	elect/repairs/manage 2/2-2/1	2/13/04	Belm5130/5222	
Jose Sierra	1134	\$	704.00	clean/paint, 2/2-2/14	2/13/04	Belm5130/5222	
Check Vd.	1135	\$	-	Check Void	2/13/04	Belm5130/5222	
Juan Joya	1136	\$	150.00	ydwk/clean, 2/3, 2/10	2/13/04	Belm5130/5222	#831457
SBC Telephone	1137	\$	91.08	214/821-2524, 1/19-2/18/04	2/13/04	Belm5130/5222	stmnt
Txu Gas	1138	\$	2,464.31	Gas - 12/22-1/23/04	2/13/04	5130 Belmont	stmnt
Txu Gas	1139	\$	1,101.67	Gas - 12/22-1/23/04	2/13/04	5222 Belmont	stmnt
Uly Vlamides	1140	\$	2,146.95	Inventory/reimb invoices	2/13/04	Belm5130/5222	stmnt
Uly Vlamides	1141	\$	148.62	Reimb ICI paints	2/24/04	5130 Belmont	stmnt
Uly Vlamides	1142	\$	247.03	Reimb Big Tool/cable	2/24/04	Belm5130/5222	stmnt
Uly Vlamides	1143	\$	168.68	Remb Teters Inv.	2/24/04	Belm5130/5222	stmnt
Uly Vlamides	1144	\$	81.64	Reimb Alamo Glass	2/24/04	5130 Belmont	stmnt
Uly Vlamides	1145	\$	3,138.59	Reimb Home Depot	2/24/04	Belm5130/5222	stmnt
Uly Vlamides	1146	\$	1,007.81	Reimb Lowes Invoices	2/24/04	Belm5130/5222	stmnt
Baldomero Cruz	1147	\$	572.00	Svcs rendered 2/17-2/28	2/25/04	Belm5130/5222	stmnt
Dallas Water Utilities	1148	\$	2,476.02	Water - 2/11/04	2/25/04	5130 Belmont	stmnt
Dallas Water Utilities	1149	\$	1,260.99	Water - 2/11/04	2/25/04	5222 Belmont	stmnt
DelFina Peres	1150	\$	290.00	Svcs rendered /clean	2/25/04	Belm5130/5222	stmnt
Jesus Garcia	1151	\$	853.60	Svcs rendered - 2/16-2/28	2/25/04	Belm5130/5222	stmnt
Jose Ayala	1152	\$	880.00	Svcs rendered - 2/16-2/28	2/25/04	Belm5130/5222	stmnt
Jose Sierra	1153	\$	704.00	Svcs rendered-2/16-2/28	2/25/04	Belm5130/5222	stmnt
Jose Sierra	1154	\$	8.65	Reimb for drain for shower	2/25/04	5130 Belmont	stmnt
Counterforce USA	1155	\$	64.80	1/21-2/20, 2/21-3/21/04 moni	2/29/04	Belm5130/5222	a/c#1054625
EHLRPM	1156			Comm above			
Juan Joya	1157	\$	150.00				
Txu Gas	1158	\$	2,875.58	Gas 1/23-2/24	2/29/04	5130 Belmont	stmnt
Txu Gas	1159	\$	1,173.06	Gas 1/23-2/24	2/29/04	5222 Belmont	stmnt
February Expenses		\$	36,903.57				
Net February Income/Expense		\$	10,621.94				
Net Income/Expenses 10/03-2/04		\$	(13,118.98)				

MARCH 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040310	\$ (8,110.00)	Rents Collected	3/1/04	\$ 6,860.00	\$ 1,250.00
Rents Collected	20040310	\$ (2,950.00)	Rents Collected	3/2/04	\$ 2,300.00	\$ 650.00
Coin Machine/phone	20040310	\$ (381.43)	Coin Machine/phone	3/5/04	\$ 190.72	\$ 190.71
Rents Collected	20040310	\$ (4,750.00)	Rents Collected	3/5/04	\$ 1,500.00	\$ 3,250.00
Rents Collected	20040310	\$ (2,500.00)	Rents Collected	3/8/04	\$ 2,500.00	\$ -
Rents Collected	20040317	\$ (325.00)	Rents Collected	3/9/04	\$ 325.00	#REF!
Rents Collected	20040317	\$ (3,100.20)	Rents Collected	3/17/04	\$ 2,000.00	\$ 1,100.20
Rents Collected	20040402	\$ (5,490.00)	Rents Collected	3/17/04	\$ 4,715.00	\$ 775.00
Rents Collected	20040402	\$ (1,900.00)	Rents Collected	3/22/04	\$ 1,575.00	\$ 325.00
Rents Collected	20040402	\$ (1,225.00)	Rents Collected	3/24/04	\$ 450.00	\$ 775.00
Rents Collected	20040402	\$ (650.00)	Rents Collected	3/29/04	\$ 650.00	\$ -
Rents Collected	20040402	\$ (2,138.28)	Rents Collected	3/30/04	\$ 2,138.28	\$ -
MARCH INCOME		\$ (33,519.91)			\$ 25,204.00	#REF!
Less Commission	1189	\$ 3,351.99				#REF!
March Net Income (Rent - Comm)		\$ (30,167.92)			\$ 2,520.40	\$ 831.59
						\$ 3,351.99
MARCH 2004 EXPENSES		Amt	Description	Date		
Balomero Cruz	1160	\$ 629.20	Svcs 3/1-3/13	3/12/04	Belm5130/5222	
Community Waste Disposal	1161	\$ 647.88	March solid waste	3/12/04	Belm5130/5222	
Delfina Perez	1162	\$ 290.00	Svcs 3/1-3/13, clean	3/12/04	Belm5130/5222	
Doris Junk	1163	\$ 340.00	2 refrig for 201dx & 206dx	3/12/04	5130 Belmont	
Jesus Garcia	1164	\$ 853.60	Elec/plumb/tile/3/1-3/13	3/12/04	Belm5130/5222	
Jose Ayala	1165	\$ 1,840.00	3/1-3/13, repair balcony	3/12/04	Belm5130/5222	
Jose Sierra	1166	\$ 740.00	3/1-3/13, clean/paint	3/12/04	Belm5130/5222	
Juan Joya	1167	\$ 150.00	ydwk/clean, 3/2, 3/9	3/12/04	Belm5130/5222	
Uly Vlamides	1168	\$ 1,980.11	Reimb Home Depot/repairs	3/12/04	Belm5130/5222	
Uly Vlamides	1169	\$ 1,500.00	Setup fee	3/15/04	Belm5130/5222	
Baldomero Cruz-A	1170	\$ 600.60	Svc 3/15-3/27, paint/clean	3/26/04	Belm5130/5222	
Crime Strike Inc.	1171	\$ 243.56	Monthly Svc	3/26/04	Belm5130/5222	
Dallas Water Utilities	1172	\$ 1,548.81	3/12/04 reading	3/26/04	5222 Belmont	
Dallas Water Utilities	1173	\$ 2,199.70	3/12/04 reading	3/26/04	5130 Belmont	
Delfina Perez	1174	\$ 290.00	clean/3/15-3/27	3/26/04	Belm5130/5222	
Frederico Preciado	1175	\$ 25.00	clean carpet- 130dx	3/26/04	5130 Belmont	
Jesus Garcia	1176	\$ 873.00	Plumb/elec/dryer, 3/16-3/27	3/26/04	Belm5130/5222	

Jose Ayala	1177	\$	1,860.00	electric/dryer, 3/15-3/27	3/26/04	Belm5130/5222	
Jose Sierra	1178	\$	672.00	clean/paint/svc 3/15-3/27	3/26/04	Belm5130/5222	
Jose Ayala	1179	\$	39.67	Reimb Insp/hd/total 274.30/t	3/26/04	5130 Belmont	
Juan Joya	1180	\$	150.00	3/16, 3/23, 3/30 yard	3/26/04	Belm5130/5222	
SBC	1181	\$	56.80	214/821-2524, 2/19-3/18	3/26/04	Belm5130/5222	
Void	1182	\$	-	Void	3/26/04		
Sherwin Williams	1183	\$	130.40	Carpet-130dx	3/26/04	5130 Belmont	
Void	1184	\$	-	Void	3/26/04		
TXU Electric	1185	\$	172.39	A/C#255-3946-83-7, 2/27-3/3	3/26/04	5222 Belmont	EH name
Void	1186	\$	-	Void	3/26/04		
Uly Vlamides	1187	\$	234.63	1179/Jose was pd/Uly's mor	3/26/04	5222 Belmont	
Uly Vlamides	1188	\$	1,945.76	Reimb for inv/supplies	3/26/04	Belm5130/5222	
March Expenses		\$	20,013.11				
Net March Income/Expense		\$	(10,154.81)				

APRIL 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040413	\$ (5,080.00)	Rents Collected	4/3/04	\$ 3,105.00	\$ 1,975.00
Rents Collected	20040413	\$ (7,365.00)	Rents Collected	4/2/04	\$ 4,450.00	\$ 2,915.00
Rents Collected	20040413	\$ (6,450.00)	Rents Collected	4/7/04	\$ 4,475.00	\$ 1,975.00
Rents Collected	20040413	\$ (1,250.00)	Rents Collected	4/12/04	\$ 1,250.00	\$ -
Rents Collected	20040510	\$ (1,350.00)	Rents Collected	4/17/04	\$ 1,025.00	\$ 325.00
Rents Collected	20040510	\$ (3,335.00)	Rents Collected	4/18/04	\$ 2,300.00	\$ 1,035.00
Rents Collected	20040510	\$ (2,250.00)	Rents Collected	4/23/04	\$ 1,600.00	\$ 650.00
Rents Collected	20040517	\$ (2,000.00)	Rents Collected	4/20/04	\$ 1,675.00	\$ 325.00
Rents Collected	20040517	\$ (2,200.00)	Rents Collected	4/28/04	\$ 1,800.00	\$ 400.00
Coin Machine	20040517	\$ (319.43)	2/27-3/25	4/28/04	\$ 159.72	\$ 159.71
Coin Machine	20040517	\$ (312.51)	1/30-2/27	4/28/04	\$ 156.26	\$ 156.25
Rents Collected	20040517	\$ (1,575.00)	Rents Collected	4/29/04	\$ 1,225.00	\$ 350.00
APRIL INCOME		\$ (33,486.94)			\$ 23,220.98	\$ 10,265.96
Less Commission						\$ 33,486.94
Check #1234		\$ 3,348.69	4/30/04		\$ 2,322.10	\$ 1,026.59
						\$ 3,348.69
APRIL 2004 EXPENSES		Amt	Description	Date		
Baldomero Cruz-A	1190	\$ 586.30	clean/paint/patch, 3/29-4/10	4/9/04	Belm5130/5222	
Delfina Campos	1191	\$ 380.00	clean/laun/apts, 3/29-4/10	4/9/04	Belm5130/5222	
Frederico Preciado	1192	\$ 75.00	carpet clean apts	4/9/04	5130 Belmont	
Jesus Garcia	1193	\$ 882.70	tile/elec/plumb, 3/29-4/10	4/9/04	Belm5130/5222	
Jose Ayala	1194	\$ 1,860.00	repairs/plumb, 3/29-4/10	4/9/04	Belm5130/5222	
Jose Sierra	1195	\$ 740.00	paint/clean detris, 3/29-4/10	4/9/04	Belm5130/5222	
Sherwin Williams	1196	\$ 430.56	apt 103dx	4/9/04	5130 Belmont	
Sherwin Williams	1197	\$ 606.72	apt 108dx	4/9/04	5130 Belmont	
TXU Gas	1198	\$ 1,454.20	Gas, 2/24-3/25/04	4/9/04	5130 Belmont	
TXU Gas	1199	\$ 674.21	Gas, 2/24-3/25/04	4/9/04	5222 Belmont	
Uly Vlamides	1200	\$ 1,718.96	Reimb inv/supplies	4/9/04	Belm5130/5222	
Baldomero Cruz-A	1201	\$ 543.40	paint/clean/walls/4/12-4/24	4/23/04	Belm5130/5222	
Dallas Water Utilities	1202	\$ 1,569.10	a/c#051-1713208-004, 4/13/	4/23/04	5222 Belmont	
Dallas Water Utilities	1203	\$ 2,222.92	a/c#051-1713000-004, 4/13/	4/23/04	5130 Belmont	

Delfina Campos	1204	\$	290.00	clean debris/laundry/apt	4/23/04	Belm5130/5222
Doris Appliance	1205	\$	375.00	3 gas range, 122dx, 205dx, 2C	4/23/04	Belm5130/5222
Frederico Preciado	1206	\$	20.00	wet vac,	4/23/04	5130 Belmont
Jesus Garcia	1207	\$	873.00	fix tiles/leaks/elec, 4/12-4/24	4/23/04	Belm5130/5222
Jose Ayala	1208	\$	1,890.00	a/c repairs/bthrm/sewer 4/12	4/23/04	Belm5130/5222
Jose Sierra	1209	\$	740.00	clean/paint/sewer, 4/12-24	4/23/04	Belm5130/5222
Juan Joya	1210	\$	150.00	yd wk/4/6, 4/13	4/23/04	Belm5130/5222
Sherwin Williams	1211	\$	747.94	vinyl/carpet/pad/204cv	4/23/04	5222 Belmont
TXU Electric	1212	\$	921.14	a/c#255-3946-83-7, 3/3-4/2	4/23/04	5222 Belmont
TXU Electric	1213	\$	2,269.07	a/c#255-4067-86-4, 3/4-4/2	4/23/04	5130 Belmont
Uly Vlamides	1214	\$	1,397.56	Reimb inv/supplies	4/23/04	Belm5130/5222

APRIL EXPENSES	\$	23,417.78
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APRIL 2004 NET INC/EXP	\$	(6,720.47)
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MAY 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040510	\$ (8,290.00)	Rents Collected	5/5/04	\$ 5,625.00	\$ 2,665.00
Rents Collected	20040510	\$ (7,550.00)	Rents Collected	5/5/04	\$ 4,375.00	\$ 3,175.00
Rents Collected	20040510	\$ (3,100.00)	Rents Collected	5/7/04	\$ 2,450.00	\$ 650.00
Rents Collected	20040517	\$ (1,812.00)	Rents Collected	5/11/04	\$ 1,419.50	\$ 392.50
Rents Collected	20040517	\$ (150.00)	Rents Collected	5/17/04	\$ -	\$ 150.00
Rents Collected	20040526	\$ (4,025.00)	Rents Collected	5/19/04	\$ 3,400.00	\$ 625.00
Coin Machine, 3/25-4/23/04	20040526	\$ (381.61)	Coin Machine	5/21/04	\$ 190.81	\$ 190.80
Rents Collected/Payphone	20040526	\$ (951.09)	Rents Collected	5/21/04	\$ 700.55	\$ 250.54
Rents Collected	20040526	\$ (3,200.00)	Rents Collected	5/26/04	\$ 2,225.00	\$ 975.00
Rents Collected	20040526	\$ (25.00)	Rents Collected	5/26/04	\$ 25.00	\$ -
MAY INCOME		\$ (29,484.70)			\$ 20,410.86	\$ 9,073.84
Less Commission	ck#1254	\$ 3,000.00			\$ 51.54	\$ 29,484.70
New leases-108cv, 204cv	ck#1254	\$ 650.00			\$ 2,046.24	\$ 650.00
101dx, 120dx, 206dx, 210d	ck#1254	\$ 1,100.00			\$ 1,100.00	
May Net Income (Rent - Comm)		\$ (24,734.70)			\$ 3,192.62	\$ 1,557.38
						\$ 4,750.00
MAY 2004 EXPENSES		Check #	Amt	Description	Date	
Baldomero Cruz-A	1215	\$	629.00	clean,paint,etc.4/26-5/8	5/7/04	Belm5130/5222
City of Dallas	1216	\$	90.00	Inspection Program	5/7/04	Belm5130/5222
Coyle Realty Advisors	1217	\$	1,250.00	1/4 pymnt Real Estate Appr	5/7/04	Belm5130/5222
Community Waste Disposal	1218	\$	1,295.76	April & May, a/c#1-1599-0	5/7/04	Belm5130/5222
Delfina Perez Campos	1219	\$	410.00	Clean, apt, laundry	5/7/04	Belm5130/5222
VOID	1220	\$	-	VOID	5/7/04	Belm5130/5222
Doris Appliance	1221	\$	150.00	frig, 101dx	5/7/04	5130 Belmont
Doris Appliance	1222	\$	60.00	120dx, 2 inv vent a hoods	5/7/04	Belm5130/5222
Frederico Preciado	1223	\$	25.00	clean carpet, 122dx	5/7/04	5130 Belmont
Jesus Garcia	1224	\$	873.00	repair tile, fix elec/, 4/26-5/8	5/7/04	Belm5130/5222

Jose Ayala	1225	\$	1,840.00	install drs/repairs/4/26-5/8	5/7/04	Belm5130/5222
Jose Sierra	1226	\$	740.00	clean apts,paint, 4/26-5/8	5/7/04	Belm5130/5222
Juan Joya	1227	\$	150.00	4/20, 4/27, yard	5/7/04	Belm5130/5222
SBC	1228	\$	52.84	3/19-4/18, 214-821-2524	5/7/04	Belm5130/5222
TXU Gas	1229	\$	1,207.85	a/c#469-1723-96-1, 4/27	5/7/04	5130 Belmont
TXU Gas	1230	\$	797.53	a/c#469-1722-98-9, 3/25-4/2	5/7/04	5222 Belmont
Coyle Realty Advisors	1231	\$	1,250.00	Bal of retainer	5/17/04	Belm5130/5222
Doris Appliance	1232	\$	150.00	refrigerator, 203 cv #293544	5/17/04	5222 Belmont
Juan Joya	1233	\$	150.00	ydwk/clean, 5/3,5/10	5/21/04	Belm5130/5222
April Comm-EHRLPM	1234	\$	-	April		
Baldomero Cruz-A	1235	\$	629.20	paint/fix/clean,5/10-5/22	5/21/04	Belm5130/5222
Dallas Water Utilities	1236	\$	1,243.88	#05-1713208-004, 5/12/04	5/21/04	5222 Belmont
Dallas Water Utilities	1237	\$	1,864.51	#051-1713000-004, 5/12/04	5/21/04	5130 Belmont
Delfina Perez Campos	1238	\$	350.00	clean, 5/10-5/22	5/21/04	Belm5130/5222
Jesus Garcia	1239	\$	882.70	wk sewer line/elec,5/10-5/22	5/21/04	Belm5130/5222
Jose Ayala	1240	\$	1,800.00	repair/plumb/elec,5/10-5/22	5/21/04	Belm5130/5222
Jose Sierra	1241	\$	740.00	clean/paint/mr, 5/10-5/22	5/21/04	Belm5130/5222
Sherwin Williams	1242	\$	118.13	#1092-3,paint/ext walk ways	5/21/04	Belm5130/5222
Sherwin Williams	1243	\$	92.01	#1689-6,paint,x 102dx	5/21/04	5130 Belmont
Sherwin Williams	1244	\$	904.76	#7685-5,cpt/pad,101dx,102c	5/21/04	5130 Belmont
Sherwin Williams	1245	\$	651.08	Inv#7774-7, carpet/pad,#230	5/21/04	5222 Belmont
Txu Electric	1246	\$	1,541.43	4/2-5/5	5/21/04	5222 Belmont
Txu Electric	1247	\$	3,291.94	4/2-5/5	5/21/04	5130 Belmont
Uly Vlamides	1248	\$	1,185.87	Reimb repairs/supplies	5/21/04	Belm5130/5222
Counterforce USA	1249	\$	97.20	3/22-6/22 monitoring	5/27/04	Belm5130/5222
Juan Joya	1250	\$	150.00	5/17, 5/24, #378733	5/27/04	Belm5130/5222
SBC	1251	\$	54.46	214/821-2524, 4/19-5/18	5/27/04	Belm5130/5222
Sherwin Williams	1252	\$	46.01	#2284-5, paint 224dx	5/27/04	5130 Belmont
Sherwin Williams	1253	\$	146.48	#7882-8, pad/carp 210dx	5/27/04	5130 Belmont

MAY 2004 EXPENSES \$ **26,910.64**

NET MAY 2004 INC/EXP \$ **2,175.94**

JUNE 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040607	\$ (3,325.00)	Rents Collected	6/1/04	\$ 3,000.00	\$ 325.00
Rents Collected	20040607	\$ (2,625.00)	Rents Collected	6/2/04	\$ 2,625.00	\$ -
Rents Collected	20040607	\$ (6,280.00)	Rents Collected	6/3/04	\$ 4,630.00	\$ 1,650.00
Rents Collected	20040617	\$ (5,225.00)	Rents Collected	6/17/04	\$ 2,625.00	\$ 2,600.00
Rents Collected	20040617	\$ (3,055.00)	Rents Collected	6/17/04	\$ 1,415.00	\$ 1,640.00
Rents Collected	20040617	\$ (1,300.00)	Rents Collected	6/17/04	\$ 650.00	\$ 650.00
Rents Collected	20040617	\$ (2,150.00)	Rents Collected	6/16/04	\$ 2,150.00	\$ -
Rents Collected	20040617	\$ (2,425.00)	Rents Collected	6/16/04	\$ 2,100.00	\$ 325.00
Rents Collected	20040630	\$ (1,775.00)	Rents Collected	6/18/04	\$ 1,200.00	\$ 575.00
Rents Collected	20040630	\$ (2,238.00)	Rents Collected	6/21/04	\$ 1,670.00	\$ 568.00
Rents Collected	20040630	\$ (2,250.00)	Rents Collected	6/23/04	\$ 1,600.00	\$ 650.00
Coin Machine-4/23-5/20/04	20040630	\$ (324.40)	Coin Machine	6/23/04	\$ 162.20	\$ 162.20
JUNE INCOME		\$ (32,972.40)			\$ 23,827.20	\$ 9,145.20
Less June Commissions 10 ^c	ck#1282	\$ 3,297.24				\$ 32,972.40
June Net Income (Rent - Comm)		\$ (29,675.16)				
JUNE 2004 EXPENSES		Check #	Amt	Description	Date	
A & A FIRE EXTINGUISHER	1255	\$	101.19	INSPECT FIRE EXT.	6/4/04	Belm5130/5222
Baldomero Cruz-A	1256	\$	572.00	paint/repair/6/24-6/5	6/4/04	Belm5130/5222
Community Waste Disposal	1257	\$	647.88	a/c#1-1599-0, June svc	6/4/04	Belm5130/5222
Delfina Perez Campos	1258	\$	372.27	clean, 212dx, 124dx, 112dx/c	6/4/04	Belm5130/5222
Frederico Preciado	1259	\$	75.00	clean carpets, 111dx, 109dx, 110dx	6/4/04	5130 Belmont
Jesus Garcia	1260	\$	853.60	repair elec/tiles	6/4/04	Belm5130/5222
Jose Ayala	1261	\$	1,840.00	plumbing/repairs/6/24-6/5	6/4/04	Belm5130/5222
Jose Sierra	1262	\$	640.00	clean/paint	6/4/04	Belm5130/5222
TXU Gas	1263	\$	476.24	a/c#469-1722-98-9, 4/27-5/21	6/4/04	5222 Belmont
TXU Gas	1264	\$	879.26	a/c#469-1723-96-1, 4/27-5/21	6/4/04	5130 Belmont
Uly Vlamides	1265	\$	630.09	reimb for inv/repair/part	6/4/04	Belm5130/5222
Juan Joya	1266	\$	450.00	cut & haul off tree storm	6/11/04	Belm5130/5222
Baldomero Cruz-A	1267	\$	638.13	clean, make ready, sewer	6/17/04	Belm5130/5222
City Wide Mechanical Inc.	1268	\$	207.84	water heater concern	6/17/04	5130 Belmont

Dallas Water Utilities	1269	\$	2,274.41	water, 6/11/04	6/17/04 5130 Belmont
Dallas Water Utilities	1270	\$	870.36	water, 6/11/04	6/17/04 5222 Belmont
Delfina Perez Campos	1271	\$	290.00	clean,laundry, 107dx	6/17/04 Belm5130/5222
Frederico Preciado	1272	\$	50.00	#211dx, 107dx,clean carpet	6/17/04 5130 Belmont
Jesus Garcia	1273	\$	873.00	repair tile,plumbing,sewer	6/17/04 Belm5130/5222
Jose Ayala	1274	\$	1,880.00	repairs,electric,wood,6/7-19	6/17/04 Belm5130/5222
Jose Sierra	1275	\$	704.00	clean apts, paint, 6/7-6/19	6/17/04 Belm5130/5222
Txu Electric	1276	\$	4,284.75	5/5/04-6/4/04	6/17/04 5130 Belmont
Txu Electric	1277	\$	1,862.54	5/5/04-6/4/04	6/17/04 5222 Belmont
Juan Joya	1278	\$	300.00	trim trees/overgrown branch	6/18/04 Belm5130/5222
Baldomero Cruz-A	1279	\$	630.96	paint/clean/walls,6/21-7/3	6/30/04 Belm5130/5222
Delfina Perez Campos	1280	\$	260.00	clean/lot/laundry	6/30/04 Belm5130/5222
DorisJunk	1281	\$	150.00	refrig 107DX	6/30/04 5130 Belmont
EHRLPM	1282			comm/ see above income	6/30/04 Belm5130/5222
Jesus Garcia	1283	\$	853.60	plumb/tiles/elec/dr	6/30/04 Belm5130/5222
Jose Ayala	1284	\$	1,760.00	plumb/elec	6/30/04 Belm5130/5222
Jose Sierra	1285	\$	704.00	clean/paint	6/30/04 Belm5130/5222
Juan Joya	1286	\$	150.00	6/14,6/21,6/28,ydwk/clean	6/30/04 Belm5130/5222
Sherwin Williams	1287	\$	92.01	paint, #3071-9	6/30/04 5130 Belmont
Uly Vlamides	1288	\$	1,493.47	reimb for inv/supplies	6/30/04 Belm5130/5222
JUNE 2004 EXPENSES		\$	27,866.60		
NET JUNE 2004 INC/EXP		\$	(1,808.56)		

JULY 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040721	\$ (2,625.00)	Rents Collected	7/1/04	\$ 2,275.00	\$ 350.00
Phone	20040721	\$ (2.77)	Phone	7/1/04	\$ 2.77	\$ -
Rents Collected	20040721	\$ (4,465.00)	Rents Collected	7/1/04	\$ 3,890.00	\$ 575.00
Rents Collected	20040721	\$ (1,300.00)	Rents Collected	7/2/04	\$ 1,300.00	\$ -
Rents Collected	20040721	\$ (5,340.00)	Rents Collected	7/3/04	\$ 3,475.00	\$ 1,865.00
Rents Collected	20040721	\$ (6,200.00)	Rents Collected	7/5/04	\$ 3,750.00	\$ 2,450.00
Rents Collected	20040721	\$ (2,670.00)	Rents Collected	7/9/04	\$ 1,870.00	\$ 800.00
Rents Collected	20040721	\$ (1,175.00)	Rents Collected	7/12/04	\$ 850.00	\$ 325.00
Rents Collected	20040721	\$ (330.00)	Rents Collected	7/12/04	\$ -	\$ 330.00
Rents Collected	20040721	\$ (3,300.00)	Rents Collected	7/16/04	\$ 2,975.00	\$ 325.00
Rents Collected	20040721	\$ (2,740.00)	Rents Collected	7/19/04	\$ 1,550.00	\$ 1,190.00
Rents Collected	20040727	\$ (2,350.00)	Rents Collected	7/23/04	\$ 1,450.00	\$ 900.00
Rents Collected	20040730	\$ (150.00)	Rents Collected	7/24/04	\$ 150.00	\$ -
Rents Collected	20040730	\$ (1,200.00)	Rents Collected	7/27/04	\$ 1,200.00	\$ -
Coin Machine-5/20-6/21(7/2)	20040730	\$ (366.80)	Coin Machine	7/27/04	\$ 183.40	\$ 183.40
JULY INCOME		\$ (34,214.57)			\$ 24,921.17	\$ 9,293.40
Less July Commission - 10%	ck#001314	\$ 3,421.45				\$ 34,214.57
July Net Income (Rent - Comm)		\$ (30,793.12)				
JULY 2004 EXPENSES		Check #	Amt	Description	Date	
Community Waste Disposal	1289	\$	647.88	A/C #1-1599-0, July	7/9/04	Belm5130/5222
SBC	1290	\$	109.26	214/821-2524, 5/19-7/18	7/9/04	Belm5130/5222
TXU Gas	1291	\$	1,116.68	A/C#469-1723-96-1, 5/26-6/	7/9/04	5130 Belmont
TXU Gas	1292	\$	424.60	A/C#469-1722-98-9, 5/26-6/	7/9/04	5222 Belmont
Baldomero Cruz-A	1293	\$	630.96	paint, clean, 7/5-7/17	7/16/04	Belm5130/5222
Crime Stike Inc.	1294	\$	243.56	Mthly Svc, inv.#04-4164	7/16/04	Belm5130/5222
Delfina Perez	1295	\$	320.00	clean, 207dx, 103cv, 7/5-7/1	7/16/04	Belm5130/5222
DorisJunk	1296	\$	275.00	207dx-range, 204cv-frig	7/16/04	Belm5130/5222
DorisJunk	1297	\$	150.00	210cv-frig	7/16/04	5222 Belmont
Frederico Preciado	1298	\$	35.00	103dx, clean #198476	7/16/04	5130 Belmont
Jesus Garcia	1299	\$	873.00	plumb, a/c, elec, 7/5-7/17	7/16/04	Belm5130/5222
Jose Ayala	1300	\$	1,860.00	a/c, plumb, 7/5-7/17	7/16/04	Belm5130/5222

Jose Sierra	1301	\$	740.00	clean,paint,plumb,7/5-7/17	7/16/04	Belm5130/5222
Juan Joya	1302	\$	150.00	#899193, 7/5, 7/12, yard	7/16/04	Belm5130/5222
TXU Electric	1303	\$	5,161.78	#255-4067-86-4, 6/4-7/6	7/16/04	5130 Belmont
TXU Electric	1304	\$	2,154.76	#255-3946-83-7, 6/4-7/6	7/16/04	5222 Belmont
Dallas Water Utilities	1305	\$	2,320.14	#051-1713000-004, 7/13/04	7/21/04	5130 Belmont
Dallas Water Utilities	1306	\$	1,017.51	#051-1713208-004, 7/13/04	7/21/04	5222 Belmont
Juan Joya	1307	\$	150.00	7/19, 7/26, ydwk.#378676	7/21/04	Belm5130/5222
Sherwin Williams	1308	\$	396.06	carpet, 124dx	7/21/04	5130 Belmont
Uly Vlamides	1309	\$	66.64	reimb Alamo Glass#75723	7/21/04	5130 Belmont
Uly Vlamides	1310	\$	467.05	reimb supplies/inv	7/21/04	Belm5130/5222
Baldomero Cruz-A	1311	\$	630.96	clean/paint/plumb	7/30/04	Belm5130/5222
CounterForce USA	1312	\$	62.35	6/22-8/21/04, a/c#1054625	7/30/04	Belm5130/5222
Delfina Perez	1313	\$	290.00	clean cmn ar/laundry/#213d	7/30/04	Belm5130/5222
See above Comm	1314	\$	-	July Comm/see above	7/30/04	Belm5130/5222
Frederico Preciado	1315	\$	25.00	carpet clean, 213dx	7/30/04	5130 Belmont
Jesus Garcia	1316	\$	853.60	elec/a/c,plumb/tile,7/19-7/31	7/30/04	Belm5130/5222
Jose Ayala	1317	\$	1,760.00	repair a/c, elec/plumb	7/30/04	Belm5130/5222
Jose Sierra	1318	\$	704.00	clean/paint/drain rep	7/30/04	Belm5130/5222
Uly Vlamides	1319	\$	712.35	reimb supplies/inv	7/30/04	Belm5130/5222
JULY 2004 EXPENSES		\$	24,348.14			
NET JULY 2004 INC/EXP		\$	(6,444.98)			

AUGUST 2004 INCOME		Amt	Description	Date	5130dx	5222cv
Rents Collected	20040816	\$ (5,650.00)	Rents Collected	8/1/04	\$ 4,850.00	\$ 800.00
Rents Collected	20040816	\$ (6,250.00)	Rents Collected	8/2/04	\$ 4,800.00	\$ 1,450.00
Rents Collected	20040816	\$ (3,338.00)	Rents Collected	8/3/04	\$ 1,850.00	\$ 1,488.00
Rents Collected	20040816	\$ (650.00)	Rents Collected	8/3/04	\$ -	\$ 650.00
Rents Collected	20040816	\$ (3,575.00)	Rents Collected	8/6/04	\$ 2,600.00	\$ 975.00
Rents Collected	20040810	\$ (1,950.00)	Rents Collected	8/10/04	\$ 1,950.00	\$ -
Phone	20040810	\$ (3.90)	Phone	8/10/04	\$ 3.90	\$ -
Rents Collected	20040825	\$ (1,800.00)	Rents Collected	8/13/04	\$ 1,500.00	\$ 300.00
Rents Collected	20040825	\$ (7,695.00)	Rents Collected	8/24/04	\$ 6,675.00	\$ 1,020.00
Rents Collected	20040825	\$ (650.00)	Rents Collected	8/25/04	\$ 650.00	\$ -
Rents Collected	20040831	\$ (1,825.00)	Rents Collected	8/31/04	\$ 850.00	\$ 975.00
Coin Machine - 6/21-7/16/04	20040831	\$ (271.13)	Coin Machine	8/31/04	\$ 135.57	\$ 135.56

AUGUST INCOME		\$ (33,658.03)		\$ 25,864.47	\$ 7,793.56
Less August Commission - ck#1350		\$3,365.79			\$ 33,658.03
August Net Income (Rent - Comm)		\$ (30,292.24)			

AUGUST 2004 EXPENSES	Check #	Amt	Description	Date
Baldomero Cruz-A	1320	\$ 666.81	Paint/clean, 8/2-8/14,	8/13/04 Belm5130/5222
Community Waste Disposal	1321	\$ 647.88	August waste pu	8/13/04 Belm5130/5222
Delfina Perez	1322	\$ 290.00	clean, laundry, 8/2-8/14, 216d	8/13/04 Belm5130/5222
Doris Appliance	1323	\$ 125.00	gas range #109dx, #331795	8/13/04 5130 Belmont
Doris Appliance	1324	\$ 275.00	frig/gas range #213dx#2136	8/13/04 5130 Belmont
Frederico Preciado	1325	\$ 70.00	clean carpet, #216dx, 212dx	8/13/04 5130 Belmont
Jesus Garcia	1326	\$ 902.10	elec/plumb/roof 8/2-8/14	8/13/04 Belm5130/5222
Jose Ayala	1327	\$ 1,840.00	a/c, sheetrock/roof 8/2-8/14	8/13/04 Belm5130/5222
Jose Ayala	1328	\$ 744.00	clean, paint, 8/2-8/14	8/13/04 Belm5130/5222
Juan Joya	1329	\$ 150.00	ydwk/clean 8/2-8/9 #441431	8/13/04 Belm5130/5222
Pedro Luna	1330	\$ 120.00	repair roof -	8/13/04 Belm5130/5222
SBC	1331	\$ 54.58	214/821-2524, 7/19-8/18	8/13/04 Belm5130/5222

Sherwin Williams	1332	\$	361.06	carpet, 222dx, #9450-2	8/13/04 5130 Belmont
Sherwin Williams	1333	\$	447.12	carpet, #219dx, #9409-8	8/13/04 5130 Belmont
TXU Electric	1334	\$	5,863.61	#255-4067-86-4, 7/6-8/4	8/13/04 5130 Belmont
TXU Electric	1335	\$	2,300.16	#255-3946-83-7, 7/6-8/4	8/13/04 5222 Belmont
Txu Gas	1336	\$	423.31	#469-1722-98-9, 6/5-7/27	8/13/04 5222 Belmont
Txu Gas	1337	\$	868.58	#469-1723-96-1, 6/25-7/27	8/13/04 5130 Belmont
Uly Vlamides	1338	\$	933.84	Reimb inventory, home depc	8/13/04 Belm5130/5222
Baldomero Cruz-A	1339	\$	629.20	Paint/fix walls/holes, 8/16-8/2	8/25/04 Belm5130/5222
Coyle Realty Advisors	1340	\$	2,500.00	bal of market value	8/25/04 Belm5130/5222
Crime Strike Inc.	1341	\$	243.56	June mthly svc-#04-3054	8/25/04 Belm5130/5222
Dallas Water Utilities	1342	\$	1,964.64	a/c#051-1713000-004, 8/11/	8/25/04 5130 Belmont
Dallas Water Utilities	1343	\$	1,015.26	a/c#051-1713208-004, 8/11/	8/25/04 5222 Belmont
Delfina Perez	1344	\$	290.00	clean debris/parking/#109dx	8/25/04 Belm5130/5222
Jesus Garcia	1345	\$	853.60	fix/repair elec, plumb, 8/16-8/2	8/25/04 Belm5130/5222
Jose Ayala	1346	\$	1,760.00	ac repair/elec/siding	8/25/04 Belm5130/5222
Jose Sierra	1347	\$	704.00	clean paint, 8/16-8/28	8/25/04 Belm5130/5222
Juan Joya	1348	\$	150.00	yard	8/25/04 Belm5130/5222
MB Kiser Heating & A/C	1349	\$	154.26	adj sensor location	8/25/04 5130 Belmont
See above Commission	1350	\$	-	August mgmt fee	8/31/04 Belm5130/5222
Uly Vlamides	1351	\$	288.65	Reimb inventory, home depc	8/31/04 Belm5130/5222

AUGUST 2004 EXPENSES

\$ 27,636.22

NET AUGUST 2004 INC/EXP

\$ (2,656.02)

SEPTEMBER 2004 INCOME								
			Amt	Description	Date		5130dx	5222cv
Rents Collected	20040914	\$	(4,045.00)	Rents Collected	9/1/04	\$	3,395.00	\$ 650.00
Rents Collected	20040914	\$	(275.00)	Rents Collected	9/1/04	\$	275.00	\$ -
Rents Collected	20040914	\$	(4,250.00)	Rents Collected	9/2/04	\$	3,925.00	\$ 325.00
Rents Collected	20040914	\$	(3,425.00)	Rents Collected	9/3/04	\$	2,425.00	\$ 1,000.00
Rents Collected	20040914	\$	(6,200.00)	Rents Collected	9/4/04	\$	3,925.00	\$ 2,275.00
Rents Collected	20040914	\$	(3,275.00)	Rents Collected	9/7/04	\$	3,275.00	\$ -
Phone - JCW - July 04 comr	20040914	\$	(0.75)	Phone - JCW July 04 comm	9/14/04	\$	0.75	
Rents Collected	20040924	\$	(2,375.00)	Rents Collected	9/10/04	\$	1,400.00	\$ 975.00
Rents Collected	20040924	\$	(1,490.00)	Rents Collected	9/14/04	\$	1,250.00	\$ 240.00
Rents Collected	20040924	\$	(248.50)	Rents Collected-forfeiture	9/15/04	\$	248.50	\$ -
Rents Collected	20040924	\$	(2,955.00)	Rents Collected	9/17/04	\$	2,630.00	\$ 325.00
Rents Collected	20040924	\$	(325.00)	Rents Collected	9/21/04	\$	-	\$ 325.00
Rents Collected	20040924	\$	(3,950.00)	Rents Collected	9/21/04	\$	2,825.00	\$ 1,125.00
Rents Collected	20040930	\$	(1,265.00)	Rents Collected	9/24/04	\$	615.00	\$ 650.00
SEPTEMBER INCOME		\$	(34,079.25)			\$	26,189.25	\$ 7,890.00
Less Sept Commission - 10%	ck#1379	\$	3,407.92					\$ 34,079.25
September Net Income (Rent-Comm)		\$	(30,671.33)					
SEPTEMBER 2004 EXPEN:								
	Check #		Amt	Description	Date			
Baldomero Cruz-A	1352	\$	629.20	paint/clean/plumb, 8/30-9/11	9/10/04	Belm5130/5222		
Crime Strike Inc.	1353	\$	243.56	October vehicle patrol #04-5	9/10/04	Belm5130/5222		
Community Waste Disposal	1354	\$	647.88	Waste Svc, #1-1599-0	9/10/04	Belm5130/5222		
Delfina P. Campos	1355	\$	290.00	Clean Debris/pkit/#209dx	9/10/04	Belm5130/5222		
Doris Appliance	1356	\$	150.00	Frig #209dx, inv.#693330	9/10/04	5130 Belmont		
Francisco Javier Vela	1357	\$	430.00	welding stairs on dx/railing	9/10/04	5130 Belmont		
Jesus Garcia	1358	\$	853.60	elec/plumb/a/c, 8/30-9/11	9/10/04	Belm5130/5222		
Jose Ayala	1359	\$	1,760.00	elec/balcony/plumb, 8/30-9/11	9/10/04	Belm5130/5222		
Jose Sierra	1360	\$	704.00	paint/clean/carp/8/30-9/11	9/10/04	Belm5130/5222		
SBC	1361	\$	106.10	214/821-2524, 8/19-9/18, pre	9/10/04	Belm5130/5222		
TXU Electric	1362	\$	5,829.22	a/c#255-4067-86-4, 8/4-9/4	9/10/04	5130 Belmont		
TXU Electric	1363	\$	2,175.10	a/c#255-3946-83-7, 8/4-9/2	9/10/04	5222 Belmont		

TXU Gas	1364	\$	734.94	a/c#469-1723-96-1,7/27-8/2	9/10/04	5130 Belmont
TXU Gas	1365	\$	369.53	a/c#469-1722-98-9, 7/27-8/2	9/10/04	5222 Belmont
Uly Vlamides	1366	\$	1,296.15	reimb for home depot/inv.	9/10/04	Belm5130/5222
Juan Joya	1367	\$	150.00	yd wk, 8/30, 9/3	9/17/04	Belm5130/5222
Baldomero Cruz-A	1368	\$	543.40	paint/clean/plumb,9/13-9/25	9/24/04	Belm5130/5222
Dallas Water Utilities	1369	\$	2,006.83	a/c#051-1713000-004, 9/10/	9/24/04	Belm5130/5222
Dallas Water Utilities	1370	\$	1,117.02	a/c#051-1713208-004, 9/10/	9/24/04	Belm5130/5222
Delfina P. Campos	1371	\$	350.00	clean,121dx, 109cv, 111cv	9/24/04	Belm5130/5222
Jesus Garcia	1372	\$	776.00	plumb/elec/tile,	9/24/04	Belm5130/5222
Jose Ayala	1373	\$	1,600.00	plumb/repair wood/elec	9/24/04	Belm5130/5222
Jose Sierra	1374	\$	640.00	clean/paint/plumb	9/24/04	Belm5130/5222
Juan Joya	1375	\$	150.00	ydwk/clean, 9/14, 9/21 #441	9/24/04	Belm5130/5222
void check	1376	\$	-	void	9/24/04	Belm5130/5222
Uly Vlamides	1377	\$	1,139.72	Uly Vlamides	9/24/04	Belm5130/5222
CounterForce USA	1378	\$	64.80	mthly monitor - 8/21-9/21,9-10/21	9/30/04	Belm5130/5222
Ebby Halliday - Sept Comm-	1379			September Comm	9/30/04	Belm5130/5222
Sherwin Williams	1380	\$	582.60	Carpet, inv.#0483-2.#209Cv	9/30/04	5222 Belmont
SEPTEMBER 2004 EXPENSES		\$	25,339.65			
NET SEPTEMBER 2004 INC/EXP		\$	(5,331.68)			

OCTOBER 2004 INCOME			Amt	Description	Date	5130dx	5222cv
Rents Collected	20041015	\$	(1,550.00)	Rents Collected	10/1/04	\$ 1,225.00	\$ 325.00
Rents Collected	20041015	\$	(4,720.00)	Rents Collected	10/2/04	\$ 4,720.00	\$ -
Coin Machine	20041015	\$	(314.18)	Coin Machine - 7/16-8/17	10/2/04	\$ 157.09	\$ 157.09
Rents Collected	20041015	\$	(6,315.00)	Rents Collected	10/3/04	\$ 4,015.00	\$ 2,300.00
Rents Collected	20041015	\$	(4,125.00)	Rents Collected	10/4/04	\$ 3,800.00	\$ 325.00
Phone	20041015	\$	(2.99)	phone	10/5/04	\$ 2.99	\$ -
Rents Collected	20041015	\$	(4,175.00)	Rents Collected	10/5/04	\$ 3,375.00	\$ 800.00
Rents Collected	20041015	\$	(3,315.00)	Rents Collected	10/11/04	\$ 2,665.00	\$ 650.00
Rents Collected	20041104	\$	(4,465.00)	Rents Collected	10/15/04	\$ 3,175.00	\$ 1,290.00
Rents Collected	20041104	\$	(2,125.00)	Rents Collected	10/18/04	\$ 2,125.00	\$ -
Rents Collected	20041104	\$	(800.00)	Rents Collected	10/19/04	\$ 550.00	\$ 250.00
Wash Coin	20041104	\$	(514.92)	8/17-9/28, w/d	10/19/04	\$ 257.46	\$ 257.46
Rents Collected	20041104	\$	(2,275.00)	Rents Collected	10/25/04	\$ 1,625.00	\$ 650.00

OCTOBER INCOME		\$	(34,697.09)			\$ 27,692.54	\$ 7,004.55
Less October Commission -	ck#1419	\$	3,469.70				\$ 34,697.09
October Net Income (Rent-Comm)		\$	(31,227.39)				

OCTOBER 2004 EXPENSE	Check #	Amt	Description	Date
Community Waste Disposal	1381	\$ 647.88	October waste svc #1-1599-	10/8/04 Belm5130/5222
Delfina Perez Campos	1382	\$ 260.00	clea/park/laud/9/27-10/9	10/8/04 Belm5130/5222
Jesus Garcia	1383	\$ 853.60	plumb/walls/bthrms, 9/27-10	10/8/04 Belm5130/5222
Jose Ayala	1384	\$ 1,760.00	wood ext/plumb, 9/27-10/9	10/8/04 Belm5130/5222
Jose Sierra	1385	\$ 704.00	clean/paint/assist, 9/27-10/8	10/8/04 Belm5130/5222
Noel Castellanos	1386	\$ 448.00	clean/plumb/paint, 9/29-10/8	10/8/04 Belm5130/5222
SBC	1387	\$ 48.56	217/821-2524, 9/19-10/18	10/8/04 Belm5130/5222
Txu Gas	1388	\$ 350.55	469-1722-98-9, 8/25-9/24	10/8/04 5222 Belmont
Txu Gas	1389	\$ 717.52	469-1723-96-1, 8/25-9/24	10/8/04 5130 Belmont
Uly Vlamides	1390	\$ 704.60	reimb Home Depot/Alamo G	10/8/04 Belm5130/5222
Dallas Water Utilities	1391	\$ 943.43	a/c#051-1713208-004,10/11	10/15/04 5222 Belmont

Dallas Water Utilities	1392	\$	1,944.19	a/c#051-1713000-004, 10/1	10/15/04 5130 Belmont
Juan Joya	1393	\$	150.00	yd wk/clean, 9/28, 10/5	10/15/04 Belm5130/5222
Rug Suckers	1394	\$	48.70	renail metal & bath, #110	10/15/04 5130 Belmont
TXU Electric	1395	\$	1,915.31	a/c#255-3946-83-7, 9/2-10/4	10/15/04 5222 Belmont
TXU Electric	1396	\$	5,075.93	a/c#255-4067-86-4, 9/2-10/4	10/15/04 5130 Belmont
Crime Strike	1397	\$	243.56	Nov vehicle patrol	10/22/04 Belm5130/5222
Delfina Perez Campos	1398	\$	320.00	clean/pk/laundry, 10/11-10/2	10/22/04 Belm5130/5222
Jesus Garcia	1399	\$	853.70	tile/elec/plumb/wood, 10/11-	10/22/04 Belm5130/5222
Jose Ayala	1400	\$	1,760.00	elec/plumb	10/22/04 Belm5130/5222
Jose Sierra	1401	\$	640.00	clean/paint, 10/11-10/22	10/22/04 Belm5130/5222
Noel Castellanos	1402	\$	560.00	clean/plumb/paint, 10/11-10/	10/22/04 Belm5130/5222
Sherwin Williams	1403	\$	221.32	carpet/pad, #109cv	10/22/04 5222 Belmont
Uly Vlamides	1404	\$	615.39	reimb Home Depot/Teters	10/22/04 Belm5130/5222
Juan Joya	1405	\$	150.00	yard, 10/12,10/19,10/26	10/29/04 Belm5130/5222
OCTOBER 2004 EXPENSES		\$	21,936.24		
NET OCTOBER 2004 INC/EXP		\$	(9,291.15)		

NOVEMBER 2004 INCOME

			Amt	Description	Date	5130dx	5222cv
Rents Collected	20041116	\$	(5,120.00)	Rents Collected	11/1/04	\$ 4,470.00	\$ 650.00
Rents Collected	20041116	\$	(1,750.00)	Rents Collected	11/1/04	\$ 1,750.00	\$ -
Rents Collected	20041116	\$	(850.00)	Rents Collected	11/1/04	\$ 850.00	\$ -
Rents Collected	20041116	\$	(3,500.00)	Rents Collected	11/2/04	\$ 2,825.00	\$ 675.00
Rents Collected	20041116	\$	(6,475.00)	Rents Collected	11/5/04	\$ 3,925.00	\$ 2,550.00
Rents Collected	20041116	\$	(2,575.00)	Rents Collected	11/8/04	\$ 1,825.00	\$ 750.00
Rents Collected	20041206	\$	(5,450.00)	Rents Collected	11/16/04	\$ 4,800.00	\$ 650.00
Rents Collected	20041206	\$	(1,980.00)	Rents Collected	11/18/04	\$ 1,430.00	\$ 550.00
Rents Collected(Coin - 324)	20041206	\$	(4,014.11)	Rents Collected	11/26/04	\$ 2,832.06	\$ 1,182.05

NOVEMBER INCOME

		\$	(31,714.11)			\$ 24,707.06	\$ 7,007.05
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Less November Commission

1449

\$ 3,171.40

\$ 31,714.11

November Net Income (Rent-Comm)

\$ (28,542.71)

NOVEMBER 2004 EXPENS

	Check #		Amt	Description	Date	
Community Waste Disposal	1406	\$	685.92	Nov Solid Waste- a/c#11599	11/4/04	Belm5130-5222
Delfina Perez Campos	1407	\$	260.00	clean/laundry/10/25-11/6	11/4/04	Belm5130-5222
Jesus Garcia	1408	\$	853.60	electric/plumb/tile	11/4/04	Belm5130-5222
Jose Ayala	1409	\$	1,760.00	electric/plumb/siding	11/4/04	Belm5130-5222
Jose Sierra	1410	\$	640.00	clean/paint/hole	11/4/04	Belm5130-5222
Noel Castellanos	1411	\$	560.00	clean/paint/plumbing	11/4/04	Belm5130-5222
Txu Electric	1412	\$	1,441.59	a/c#255-3946-88-6, 1/6-2/27	11/4/04	5222 Belmont
Txu Electric	1413	\$	4,248.33	a/c#255-4067-90-6, 1/6-3/4	11/4/04	5130 Belmont
Txu Gas	1414	\$	1,198.43	a/c#469-1723-96-0, 9/24-10,	11/4/04	5130 Belmont
Txu Gas	1415	\$	436.59	a/c#469-1722-98-9, 9/24-10,	11/4/04	5222 Belmont
Uly Vlamides	1416	\$	45.45	reimb for color ink jet-fax ma	11/4/04	5130 Belmont
Uly Vlamides	1417	\$	759.73	Reimb for Home Depot/	11/4/04	Belm5130-5222
Uly Vlamides	1418	\$	141.56	Reimb for ink cart/teters	11/4/04	Belm5130-5222
Oct Comm - See above	1419			See October Comm ded.	10/31/04	Belm5130-5222
Doris Appliance	1420	\$	175.00	refrig, #111dx	11/5/04	5130 Belmont
Doris Appliance	1421	\$	150.00	elec range, #107cv	11/5/04	5222 Belmont
Juan Joya	1422	\$	150.00	ydwk/clean, 11/2, 11/9	11/12/04	Belm5130-5222

Crime Strike Inc.	1423	\$	243.56	dec vehicle patrol#04-9598	11/19/04	Belm5130-5222
Dallas Water Utilities	1424	\$	1,886.67	a/c#051-1713000-004, 11/9	11/19/04	5130 Belmont
Dallas Water Utilities	1425	\$	768.22	a/c#051-1713208-004, 11/9	11/19/04	5222 Belmont
Delfina Perez Campos	1426	\$	290.00	clean/laun/park/#121, 11/8-2	11/19/04	Belm5130-5222
Jesus Garcia	1427	\$	853.36	plumb/elec/ 11/8-11/20	11/19/04	Belm5130-5222
7	1428	\$	1,760.00	repair elec/woodwk/	11/19/04	Belm5130-5222
Jose Sierra	1429	\$	640.00	paint/clean	11/19/04	Belm5130-5222
Noel Castellanos	1430	\$	560.00	clean/paint/plumbing	11/19/04	Belm5130-5222
SBC	1431	\$	51.11	214/821-2524, 10/19-11/18	11/19/04	Belm5130-5222
Txu Electric	1432	\$	4,228.31	a/c#255-4067-86-4, 10/4-11,	11/19/04	5130 Belmont
Txu Electric	1433	\$	1,448.09	a/c#255-3946-83-7, 10/4-11,	11/19/04	5222 Belmont
Uly Vlamides	1434	\$	555.63	reimb HD, supplies,Standard	11/19/04	Belm5130-5222
Juan Joya	1435	\$	300.00	ydwk/clean, 11/16,23,30	11/24/04	Belm5130-5222
Juan Joya	1436	\$	128.00	repair wk prop/avala	11/24/04	Belm5130-5222
Juan Joya	1437	\$	128.00	repair wk/prop/geraldo sierra	11/24/04	Belm5130-5222
NOVEMBER 2004 EXPENSES		\$	27,347.15			
NET NOVEMBER 2004 INC/EXP		\$	(1,195.56)			

DECEMBER 2004 INCOME									
			Amt	Description	Date	5130dx	5222cv		
Rents Collected	20041215	\$	6,200.00	Rents Collected	12/4/04	\$ 4,575.00	\$ 1,625.00		
Rents Collected	20041215	\$	3,620.00	Rents Collected	12/1/04	\$ 3,620.00	\$ -		
Rents Collected	20041215	\$	4,475.00	Rents Collected	12/2/04	\$ 3,250.00	\$ 1,225.00		
Rents Collected	20041215	\$	3,075.00	Rents Collected	12/7/04	\$ 2,510.00	\$ 565.00		
Rents Collected	20041215	\$	950.00	Rents Collected	12/10/04	\$ 950.00			
Rents Collected	20041227	\$	3,125.00	Rents Collected	12/20/04	\$ 2,450.00	\$ 675.00		
Rents Collected	20041227	\$	2,825.00	Rents Collected	12/17/04	\$ 2,575.00	\$ 250.00		
Rents Collected	20041227	\$	3,400.00	Rents Collected	12/23/04	\$ 1,775.00	\$ 1,625.00		
Phone	20041227	\$	3.82	Phone	12/27/04	\$ 3.82	\$ -		
Rents Collected	20041227	\$	350.00	Rents Collected	12/27/04	\$ -	\$ 350.00		
Rents Collected	20041229	\$	1,550.00	Rents Collected	12/29/04	\$ 1,550.00	\$ -		
DECEMBER INCOME		\$	29,573.82			\$ 23,258.82	\$ 6,315.00		
New leases-1-CV, 5-DX		\$	(1,900.00)						
Less December Commissior		\$	(3,000.00)						
December Net Income (Rent-Comm)		\$	24,673.82						
DECEMBER 2004 EXPENS									
		Check #	Amt	Description	Date				
Delfina Perez Campos	1438	\$	320.00	clean, 117dx, 109dx	12/2/04	Belm5130-5222			
Jesus Garcia	1439	\$	853.60	repair plumb/bthrm, tile	12/2/04	Belm5130-5222			
Jose Ayala	1440	\$	1,760.00	plumb/wood ext/elec, 11/22-12/	12/2/04	Belm5130-5222			
Jose Sierra	1441	\$	640.00	repair wood siding/clean/pai	12/2/04	Belm5130-5222			
Juan Joya	1442	\$	3,528.35	new subfloor/mat/lab	12/2/04	Belm5130-5222			
Noel Castellanos	1443	\$	560.00	assist plumb/wood rep/clean	12/2/04	Belm5130-5222			
Sherwin Williams	1444	\$	122.99	a/c#6752-0392-1, #9236-8	12/2/04	5130 Belmont			
Sherwin Williams	1445	\$	93.09	a/c#6752-0392-1, inv.#7542	12/2/04	Belm5130-5222			
TXU Gas	1446	\$	1,268.22	a/c#469-1723-96-1, 10/25-1	12/2/04	5130 Belmont			
TXU Gas	1447	\$	453.31	a/c#469-1722-98-9, 10/25-1	12/2/04	5222 Belmont			
Uly Vlamides	1448	\$	1,587.04	reimb for hd/teters/alamo	12/2/04	Belm5130-5222			
See November Comm	1449			see above					
C.K. Maintenance	1450	\$	1,040.00	replace sheetrock/misc#203	12/10/04	5130 Belmont			
C.K. Maintenance	1451	\$	975.00	replace sheetrock/misc#207	12/10/04	5130 Belmont			
City Wide Mechanical Inc.	1452	\$	102.84	pilot assembly repair/wh	12/10/04	Belm5130-5222			

Community Waste Disposal	1453	\$	684.05	Dec solid wast #1-1599-0	12/10/04	Belm5130-5222
Juan Joya	1454	\$	1,380.00	rotten wood repairs/insp/dx	12/10/04	5130 Belmont
Crime Strike Inc.	1455	\$	243.56	Jan vehicle patrol, #04-1256	12/17/04	Belm5130-5222
Dallas Water Utilities	1456	\$	2,036.05	a/c#051-1713000-004, 12/10	12/17/04	5130 Belmont
Dallas Water Utilities	1457	\$	1,330.11	a/c#051-1713208-004, 12/10	12/17/04	5222 Belmont
Delfina Perez Campos	1458	\$	260.00	clean grounds;laundry	12/17/04	Belm5130-5222
Jesus Garcia	1459	\$	853.60	tire/electric/plumbing	12/17/04	Belm5130-5222
Jose Ayala	1460	\$	1,760.00	repair plumb/electric, 12/6-10	12/17/04	Belm5130-5222
Jose Sierra	1461	\$	640.00	clean apt, paint apt	12/17/04	Belm5130-5222
Juan Joya	1462	\$	1,924.06	replace rotten wood/2 helper	12/17/04	5130 Belmont
Nation-Wide Roofing	1463	\$	365.00	overlay 3 yr warr/boiler rm sl	12/17/04	Belm5130-5222
Noel Castellanos	1464	\$	560.00	clean apts/plumb/electric	12/17/04	Belm5130-5222
TXU Electric	1465	\$	985.84	a/c#255-3946-83-7, 11/2-12/	12/17/04	5222 Belmont
TXU Gas	1466	\$	2,934.32	a/c#255-4067-86-4,11/2-12/	12/17/04	5130 Belmont
Counterforce USA	1467	\$	94.75	mthly monitoring-10/21-1/21	12/22/04	Belm5130-5222
Juan Joya	1468	\$	1,662.67	labor+2 helpers 12/13-12/17	12/22/04	Belm5130-5222
SBC	1469	\$	51.88	a/c#214-821-2524 359 7	12/22/04	Belm5130-5222
Uly Vlamides	1470	\$	1,170.98	reimb for teters/hd/alamo	12/22/04	Belm5130-5222
Delfina Perez Campos	1471	\$	50.00	Feliz Navidad	12/22/04	Belm5130-5222
Jesus Garcia	1472	\$	50.00	Feliz Navidad	12/22/04	Belm5130-5222
Jose Ayala	1473	\$	50.00	Feliz Navidad	12/22/04	Belm5130-5222
Jose Sierra	1474	\$	50.00	Feliz Navidad	12/22/04	Belm5130-5222
Noel Castellanos	1475	\$	50.00	Feliz Navidad	12/22/04	Belm5130-5222
Delfina Perez Campos	1476	\$	320.00	clean/grounds/210cv,202cv	12/28/04	Belm5130-5222
Jesus Garcia	1477	\$	853.60	repair/plumb/wood	12/28/04	Belm5130-5222
Jose Ayala	1478	\$	1,760.00	repairs/	12/28/04	Belm5130-5222
Jose Sierra	1479	\$	640.00	repair/clean/etc	12/28/04	Belm5130-5222
MB Kiser A/C	1480	\$	449.00	replaced thermocouple	12/28/04	5130 Belmont
Noel Castellanos	1481	\$	560.00	assist plumb/repairs	12/28/04	Belm5130-5222
Juan Joya	1482	\$	1,596.45	repairs/12/20-12/24,yd 12/21	12/29/04	Belm5130-5222
See December Commission	1483					
DECEMBER 2004 EXPENSES		\$	(38,670.36)			
NET DECEMBER 2004 INC/EXP		\$	(13,996.54)			
Net Income/Expenses 10/0	Bank Balance	\$	40,549.73			

SUMMARY				
	INCOME		EXPENSE	
			NET	
January-04	\$	25,630.98	\$	(37,638.41)
February-04	\$	26,281.63	\$	(36,903.57)
March-04	\$	30,167.92	\$	(20,013.11)
April-04	\$	30,138.25	\$	(23,417.78)
May-04	\$	24,734.70	\$	(26,910.64)
June-04	\$	29,675.16	\$	(27,866.60)
July-04	\$	30,793.12	\$	(24,348.14)
August-04	\$	30,292.24	\$	(27,636.22)
September-04	\$	30,671.33	\$	(25,339.65)
October-04	\$	31,227.39	\$	(21,936.24)
November-04	\$	28,542.71	\$	(27,347.15)
December-04	\$	24,673.82	\$	(38,670.36)
NET FOR 2004	\$	342,829.25	\$	(338,027.87)
CASH ACCOUNT				
Beginning Cash Balance 1/1/04	\$	35,748.35		
Net from 2004		4801.38		
Ending Cash Balance 12/31/04	\$	40,549.73		

Net Income/Expenses 10/03-12/04 Bank Balance \$ **40,549.73**

JANUARY 2005 INCOME

		Amt	Description	Date	5130dx	5222cv
Rents Collected	20050114	\$ 2,440.00	Rents Collected	1/3/05	\$ 1,225.00	\$ 1,215.00
Coin Machine - 10/27/04-11/23/04	20050114	\$ 288.65	Coin Machine	1/3/05	\$ 144.33	\$ 144.32
Rents Collected	20050114	\$ 5,040.00	Rents Collected	1/3/05	\$ 4,065.00	\$ 975.00
Rents Collected	20050114	\$ 125.00	Rents Collected	1/4/05	\$ 125.00	\$ -
Rents Collected	20050114	\$ 6,675.00	Rents Collected	1/4/05	\$ 5,125.00	\$ 1,550.00
Rents Collected	20050114	\$ 1,525.00	Rents Collected	1/5/05	\$ 1,275.00	\$ 250.00
Rents Collected	20050114	\$ 2,545.00	Rents Collected	1/12/05	\$ 2,545.00	\$ -
Rents Collected	20050128	\$ 1,475.00	Rents Collected	1/19/05	\$ 1,450.00	\$ 25.00
Rents Collected	20050128	\$ 2,575.00	Rents Collected	1/19/05	\$ 2,475.00	\$ 100.00
Rents Collected	20050128	\$ 5,440.00	Rents Collected	1/19/05	\$ 3,300.00	\$ 2,140.00
Rents Collected	20050128	\$ 1,375.00	Rents Collected	1/19/05	\$ 1,375.00	\$ -

JANUARY INCOME

\$ **29,503.65** \$ **23,104.33** \$ **6,399.32**

New leases-

Less January Commission - 10% CK#1521 \$ **(3,000.00)** \$ **29,503.65**

January Net Income (Rent-Comm)

\$ **26,503.65**

JANUARY 2005 EXPENSES

	Check #	Amt	Description	Date
Juan Joya	1484	\$ 1,090.68	repairs/inspection, 12/17-31	1/7/05 Belm5130-5222
TXU Gas	1485	\$ 980.19	a/c#469-1722-98-9, 11/23-12/22	1/7/05 5222 Belmont
TXU Gas	1486	\$ 1,973.05	a/c#469-1723-96-1, 11/23-12/22	1/7/05 5130 Belmont
CK Maintenance	1487	\$ 1,390.00	repair ceilings/damages 218dx	1/13/05 5130 Belmont
CK Maintenance	1488	\$ 1,150.00	repair water damage, 221dx	1/13/05 5130 Belmont
Community Waste Disposal	1489	\$ 678.43	Jan 2005, a/c#1-1599-0	1/13/05 Belm5130-5222
Delfina Perez Campos	1490	\$ 320.00	clean, 103cv, 221dx	1/13/05 Belm5130-5222
Jesus Garcia	1491	\$ 853.60	plumb/elec/tile/sewer	1/13/05 Belm5130-5222
Jose Ayala	1492	\$ 1,768.65	plumb/elec, 1/3-1/15	1/13/05 Belm5130-5222
Jose Sierra	1493	\$ 640.00	clean/paint, 1/3-1/14	1/13/05 Belm5130-5222
Noel Castellanos	1494	\$ 560.00	paint/plumb /clean	1/13/05 Belm5130-5222
SBC	1495	\$ 52.49	a/c#214-821-2524, 12/19-1/18	1/13/05 Belm5130-5222
Enrique Barajas	1496	\$ 2,000.00	disconnected heaters	1/14/05 Belm5130-5222

Juan Joya	1497	\$	790.00	City Code Wk, 1/3, 4, 5, 6, 7	1/14/05	Belm5130-5222
M&F Plumbing-Francisco Amarco	1498	\$	1,750.00	replace main section gas line	1/14/05	Belm5130-5222
M&F Plumbing-Francisco Amarco	1499	\$	1,750.00	replace main section gas line	1/14/05	Belm5130-5222
Uly Vlamides	1500	\$	1,003.48	reimb for teters/hd	1/14/05	Belm5130-5222
Counterforce USA	1501	\$	32.40	a/c#1054625, 1/21-2/21 monitor	1/21/05	Belm5130-5222
Dallas Water Utilities	1502	\$	2,117.37	a/c#051-1713000-004, 1/12/05	1/21/05	5130 Belmont
Dallas Water Utilities	1503	\$	1,440.04	a/c#051-1713208-004, 1/12/05	1/21/05	5222 Belmont
Doris Appliance	1504	\$	250.00	2 gas ranges, 222dx, 208dx	1/21/05	5130 Belmont
Juan Joya	1505	\$	1,151.69	material/labor, 1/10, 11, 12, 13, 14	1/21/05	Belm5130-5222
TXU Electric	1506	\$	1,013.30	#255-3946-83-7, 12/3-1/4/05	1/21/05	5222 Belmont
TXU Electric	1507	\$	3,015.49	#255-4067-86-4, 12/3-1/4/05	1/21/05	5130 Belmont
Delfina Pérez Campos	1508	\$	260.00	clean grounds/laund, 1/17-1/29	1/28/05	Belm5130-5222
Jesus García	1509	\$	853.60	tile, plumb/walls, 1/17-1/29	1/28/05	Belm5130-5222
Jose Ayala	1510	\$	1,760.00	plumb/elec 1/17-1/29	1/28/05	Belm5130-5222
Jose Sierra	1511	\$	640.00	clean, paint, 1/17-1/29	1/28/05	Belm5130-5222
Juan Joya	1512	\$	69.14	materials/1/18/05	1/28/05	5130 Belmont
Juan Joya	1513	\$	1,092.12	ydwk 1/18, 1/25, m/l 1/17-1/21	1/28/05	Belm5130-5222
Noel Castellanos	1514	\$	560.00	clean/paint, 1/17-1/28	1/28/05	Belm5130-5222
Sherwin Williams	1515	\$	559.68	carpet/pad, 225dx	1/28/05	5130 Belmont
Sherwin Williams	1516	\$	633.60	carpet/pad, 227dx	1/28/05	5130 Belmont
Sherwin Williams	1517	\$	279.84	carpet/pad, 104dx	1/28/05	5130 Belmont
Sherwin Williams	1518	\$	559.68	carpet/pad, 221dx	1/28/05	5130 Belmont
Txu Gas	1519	\$	3,755.13	a/c#469-1723-96-1, 12/22-1/24	1/28/05	5130 Belmont
Txu Gas	1520	\$	1,512.26	a/c#469-1722-98-9, 12/22-1/24	1/28/05	5222 Belmont
JANUARY 2005 EXPENSES			\$ 40,305.91			
NET JANUARY 2005 INC/EXP			\$ (13,802.26)			
Net Income/Expenses 10/03-1/31/05			\$ 26,747.47	Bank Balance		

Net Income/Expenses 10/03-1/31/05		Bank Balance	\$	26,747.47			
FEBRUARY 2005 INCOME			Amt	Description	Date	5130dx	5222cv
Rents Collected	20050211	\$	7,150.00	Rents Collected	2/1/05	\$ 4,625.00	\$ 2,525.00
Rents Collected-Coin Mach 1/17/05	20050211	\$	4,141.80	Rents Collected	2/2/05	\$ 3,683.40	\$ 458.40
Rents Collected	20050211	\$	1,150.00	Rents Collected	2/3/05	\$ 1,150.00	\$ -
Rents Collected	20050211	\$	6,355.00	Rents Collected	2/4/05	\$ 4,905.00	\$ 1,450.00
Rents Collected	20050211	\$	3,585.00	Rents Collected	2/8/05	\$ 2,935.00	\$ 650.00
Rents Collected	20050301	\$	3,125.00	Rents Collected	2/16/05	\$ 2,350.00	\$ 775.00
Rents Collected	20050301	\$	3,850.00	Rents Collected	2/19/05	\$ 2,975.00	\$ 875.00
Rents Collected	20050301	\$	2,015.00	Rents Collected	2/22/05	\$ 1,365.00	\$ 650.00
Rents Collected +Coin Mach 12/17-1/19	20050301	\$	1,466.28	Rents Collected	2/25/05	\$ 1,008.14	\$ 458.14
FEBRUARY INCOME		\$	32,838.08			\$ 24,996.54	\$ 7,841.54
New leases-		\$	-				
Less FEBRUARY Commission - 10%		ck#1551	\$ (3,283.80)				\$ 32,838.08
FEBRUARY Net Income (Rent-Comm)		\$	29,554.28				
FEBRUARY 2005 EXPENSES		Check #	Amt	Description	Date		
CK. Maintenance	1522	\$	390.00	carpet/pad - #102dx	2/11/05	5130 Belmont	
CK. Maintenance	1523	\$	395.00	carpet/pad - #201dx	2/11/05	5130 Belmont	
CWD	1524	\$	684.05	Feb 05 waste pickup-1-1599-0	2/11/05	Belm5130-5222	
Delfina Perez Campos	1525	\$	290.00	clean laundry-106dx	2/11/05	Belm5130-5222	
Jesus Garcia	1526	\$	853.60	repair elec/tiles/plumb, 1/31-2/12	2/11/05	Belm5130-5222	
Jose Ayala	1527	\$	1,760.00	repairs/plumb/sewer, 1/31-2/12	2/11/05	Belm5130-5222	
Jose Sierra	1528	\$	640.00	clean/paint/plumb, 1/31-2/11/05	2/11/05	Belm5130-5222	
Juan Joya	1529	\$	150.00	ydwk/clean, 2/1, 2/8#225301	2/11/05	Belm5130-5222	
Noel Castellanos	1530	\$	560.00	clean, paint/plumb, 1/31-2/11	2/11/05	Belm5130-5222	
SBC	1531	\$	52.12	a/c#214-821-2524, 1/19-2/18	2/11/05	Belm5130-5222	
Sherwin Williams	1532	\$	597.84	roll/pad/labor, #106dx	2/11/05	5130 Belmont	
Sherwin Williams	1533	\$	97.75	paint/5 gal/	2/11/05	5130 Belmont	
Texas Dept of Licensing & Reg	1534	\$	90.00	Boiler inspection	2/11/05	Belm5130-5222	
TXU Energy	1535	\$	2,845.32	a/c#255-4067-86-4, 1/4-2/1/05	2/11/05	5130 Belmont	
TXU Energy	1536	\$	914.47	a/c#255-3946-83-7, 1/4-2/1/05	2/11/05	5222 Belmont	

Uly Vlamides	1537	\$	496.24	reimb for HD/Teters/Grainger	2/11/05	Belm5130-5222
Crime Strike	1538	\$	243.56	February Vehicle Patrol	2/25/05	Belm5130-5222
Dallas Water Utilities	1539	\$	1,830.49	a/c#051-1713000-004, 2/11/05	2/25/05	5130 Belmont
Dallas Water Utilities	1540	\$	1,232.39	a/c#051-1713208-004, 2/11/05	2/25/05	5222 Belmont
Delfina Perez Campos	1541	\$	320.00	clean,park lot/#117dx, 108cv	2/25/05	Belm5130-5222
Jesus Garcia	1542	\$	853.60	plumb/elec/holes	2/25/05	Belm5130-5222
Jose Ayala	1543	\$	1,760.00	elec/plumb/ 2/14-2/26	2/25/05	Belm5130-5222
Jose Sierra	1544	\$	640.00	clean/paint/plumb, 2/14,2/25	2/25/05	Belm5130-5222
Juan Joya	1545	\$	150.00	ydwk/clean, 2/15, 2/22,#326402	2/25/05	Belm5130-5222
Noel Castellanos	1546	\$	560.00	clean/paint/, 2/14-2/25	2/25/05	Belm5130-5222
Uly Vlamides	1547	\$	150.70	reimb for HD/Alamo Glass	2/25/05	5130 Belmont
Uly Vlamides	1548	\$	183.05	Reimb for Alamo, 12/16,1/14,1/17	2/25/05	Belm5130-5222
Atmos Energy	1549	\$	863.28	A/C # 469-1722-98-9, 1/24-2/22	2/28/05	5222 Belmont
Atmos Energy	1550	\$	1,721.19	a/c#469-1723-96-1, 1/24-2/22	2/28/05	5130 Belmont
EHRLPM	1551			See above	2/28/05	Belm5130-5222
Sherwin Williams	1552	\$	166.15	paint #5292-5	2/28/05	Belm5130-5222
FEBRUARY 2005 EXPENSES		\$	(21,490.80)			
NET FEBRUARY 2005 INC/EXP		\$	8,063.48			
Net Income/Expenses 10/03-2/28/05	Bank Balance	\$	34,810.95			

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Summary of Comparable Rents							
No.	Name	Number of Units	Tenant Appeal	Average Unit SF	Average Mo. Rent	Utilities	Average Rent/SF
1	The Belmont	82	Good	793	\$576*	+ E & G	\$0.73
2	Catalina	86	Average	798	\$577	+ E	\$0.72
3	Continental House	175	Average	923	\$693	Landlord	\$0.75
4	Wyndham Gardens	90	Average	681	\$530	+ E	\$0.78
5	Paloma	36	Average	601	\$588*	+ E	\$0.98
6	Granada	34	Average	720	\$561	+ E	\$0.78
7	Villa Garrett	50	Average	558	\$448	+ E	\$0.80
Subj	Parc Riviera	84	Poor	751	--	Landlord	--

* Median rent rather than weighted average. See individual rent comparable page for explanation.

The rent comparables included 553 units at seven competing apartment properties. The weighted occupancy for the rent comparables was 89.1% and weighted monthly rent was \$594 for a weighted average unit size of 778 square feet. This equates to a weighted average monthly rent per square foot of \$0.76. This correlates closely with the 3,827 units in the sub-market of pre-1970 product, with a reported weighted average occupancy of 86.1% and weighted average monthly rent of \$601.

Analysis of Potential Gross Income

In order to estimate the potential gross income for the subject property, which includes income from rents as well as other income, we have surveyed seven area apartment properties that are proximate to and physically similar to the subject. Because of the strong similarities of the competing properties, and their proximity to the subject, we feel that the rental and occupancy data is very good and are good indicators of where the subject's rents should be, *assuming that the subject's physical condition is average*, as it is at most of the direct competition.

Typical lease length in this sub-market is six months. Current concessions at most older properties are only in the form of reduced deposit and application fees although one rent comparable (Rent 7) was offering a \$99 move in special. No surveyed competitive properties were offering free rent.

The most important factors to consider in estimating market rents for the subject are unit type or style, unit size, and project tenant appeal.

Unit Style refers to the number of bedrooms and baths in a unit. Units with multiple bedrooms and baths usually rent for more. A three bedroom unit will likely rent for more than a one bedroom unit, for example. Therefore, comparisons will be made between like unit types.

Unit Size refers to the number of square feet in the unit. Comparisons among the data clearly show that prospective tenants are almost always willing to pay a premium for larger sized units as opposed to small ones. For instance, our rent survey clearly indicates that as unit sizes increase so do the rents. Therefore we have tried to correlate each of the subject units to the closest possible unit sizes found in the sub-market in order to make the best comparisons.

Project Tenant Appeal is an intangible assessment of the competitiveness of a property and its overall attractiveness to potential tenants. This factor depends on such items as project age, location, condition, amenities, architectural style, and others. A combination of or any single factor may affect overall tenant appeal. Generally speaking, those properties which are older in age, in poor condition, without amenities or have an unattractive street appearance, may be considered inferior in tenant appeal and have the lowest rent structures. Those properties which have the most amenities such as pools, clubrooms, laundry facilities and others, or which have a clean, well-kept appearance usually command the highest rents in the market. In many cases, tenants judge apartment complexes with poor tenant appeal to be unacceptable at all, and in those cases, rents must be lowered to effectively compete. Conversely, owners of apartment complexes with superior tenant appeal must charge more in rent in order to recover their investment in the extra amenities or maintenance they provide. So the level of tenant appeal at any given apartment complex has a direct effect on the rental structure of that property.

The subject currently has poor tenant appeal due to the significant amount of existing deferred maintenance. The only property amenities are on site management, laundry facilities and some covered parking. *For purposes of this appraisal, we will assume that the property's physical condition is average, as most of the competitive properties are, and that tenant appeal is also average which it would be if not for the deferred maintenance.* This is the only way we can estimate market rent for the subject property. We will account for the cost to cure the subject's deferred maintenance, and the amount of time that it would take to bring the physical condition to average, later in this section. All such costs will then be deducted from the capitalized value "as normal" to estimate the "as is" value of the property in its current condition.

The subject property has six unit styles. The basic variation is in size, number of bedrooms, and floor plan. There are three one bedroom unit sizes and three two bedroom unit sizes. Asking rents for all one bedrooms is \$550 and \$650 for all two bedrooms. As noted in the *Description of the Improvements* section of this report, the subject is physically split into two portions: the 60 units in the five connected buildings located at 5130 Belmont Avenue (Phase 2); and the 24 units in the three connected buildings located at 5222 Belmont Avenue (Phase 1). However, to facilitate comparisons, subject units will be arranged in order of unit size and treated as one physically integrated property. In the analysis to follow, each different unit type will be grouped with units in the market which are similar in style, size and number of bedrooms and baths, and then compared on that basis. The market rent analysis for each unit type begins on the following page.

Rent Estimate for the Subject A1 Unit: This is a one bedroom, one bath unit with 495 square feet. Competing units are summarized as follows:

Summary of Comparable One Bedroom, One Bath Units (Arranged by Unit Size)					
Comp. No.	Property	Size in S F	Rent per Month	Rent per SF	Tenant Appeal
1	The Belmont	458	\$500	\$1.09	Good
Subject	Parc Riviera*	495	\$550	\$1.11	Average
6	Granada	500	\$475	\$0.95	Average

* All bills paid

Asking rents for this unit type range from \$0.95 to \$1.09 per square foot, excluding the subject. The most similar in size is the 500 square foot unit at Rent Comparable 6, which indicates rent at \$0.95 per square foot. This rent level is probably the most indicative of the subject's rent, not considering that the rents on an all bills paid basis. The Rent Comparable 1 unit is in a property with above-average maintenance and the subject is not likely to achieve this rent level even as renovated. As of the effective appraisal date, neither of the subject's two units of this type were leased so no actual rent can be used as a guide. This small one bedroom unit size is limited in the sub-market and should be able to command a relatively high rent.

All Bills Paid Consideration: No measurable rent difference is apparent at properties where all utilities are included in the rent versus those where tenants pay a pro rata share of electric, and in one instance a pro rata share of electric and natural gas. Nonetheless, the subject rents on an all bills paid basis and we shall factor that into our unit rent estimates for all of the subject's six unit sizes. Since we have no operating history for the subject we must estimate utility costs, which in this instance will include both electric and natural gas, as units operate on a combination of both utilities. The Belmont, across Belmont Avenue from the subject, rents on the basis of tenants paying a pro rata share of electric and natural gas, as their units operate on a combination of both utilities too. Their average unit size is 793 square feet as compared to the subject's 751 square feet. Thus, the unit sizes are within 5% of each other and we will use The Belmont's information as a partial basis for our Parc Riviera utility expense estimates. The manager at The Belmont indicated that the average monthly utility expenses for tenants run about \$70 for one bedroom units and \$130 for two bedroom units. It is not known what percent of The Belmont's total monthly electric and natural gas expense this represents.

The subject's electric is billed at commercial rates, which are less expensive than residential rates. Our experience with the operations of other similar apartment operating expenses indicates that a reasonable annual expense for these two utilities is in the range of \$1.70 per net rentable square foot, or \$107,192 for the subject (63,054 s.f. x \$1.70 per s.f.). The equates to a monthly average unit

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expense of about \$106 (\$107,192/12 months/84 units). It is not reasonable to expect that an apartment operator can recover all of this expense in either billbacks or increased rent if all bills are paid. We will assume that 50% of these utilities can effectively be recovered through additional rent. The utility expense for each unit size is estimated in the table below. The weighted average of the estimated total monthly utility expenses in the table approximates \$106 per month.

Unit type	Unit Size	Est. Mo. Utilities	Additional Rent
1 Br, 1 Bath	495 s.f.	\$60	\$30
1 Br, 1 Bath	558 s.f.	\$70	\$35
1 Br, 1 Bath	667 s.f.	\$80	\$40
2 Br, 2 Bath	810 s.f.	\$120	\$60
2 Br, 2 Bath	860 s.f.	\$130	\$65
2 Br, 2 Bath	885 s.f.	\$140	\$70

As previously noted, this unit's best indication of market rent is \$0.95 per square foot, or \$470 plus \$30 for utilities consideration, or a total of \$500 per month.

Estimated Market Rent, A1 495 s.f. Unit: \$500 per month, or \$1.01 per square foot.

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Rent Estimate for the Subject A2 Unit: This is a one bedroom, one bath with 558 square feet. Competing units are summarized as follows:

Summary of Comparable One Bedroom, One Bath Units (Arranged by Unit Size)					
Comp. No.	Property	Size in SF	Rent per Month	Rent per SF	Tenant Appeal
2	Granada	500	\$475	\$0.95	Average
3	Continental House*	558	\$450	\$0.81	Average
Subject	Parc Riviera*	558	\$550	\$0.99	Average
4	Wyndham Gardens	615	\$520	\$0.85	Average
6	Granada	625	\$525	\$0.84	Average

* All bills paid

Asking rents for this unit type range from \$0.81 to \$0.95 per square foot, excluding the subject. The most similar in size is the 558 square foot unit at Rent Comparable 3, although the rent at Continental House for this unit size seems significantly under market, especially considering that this is an all bills paid property. The next two closest unit sizes are Rent Comparables 2 and 4, with an average asking rent of \$0.90 per square foot, which seems reasonable for this subject unit, or \$500 rounded, plus \$35 for utilities consideration, or a total of \$535 per month.

Estimated Market Rent, A2 558 s.f. Unit: \$535 per month, or \$0.96 per square foot.

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Rent Estimate for the Subject A3 Unit: This is a one bedroom, one bath unit with 667 square feet. Competing units are summarized as follows:

Summary of Comparable One Bedroom, One Bath Units (Arranged by Unit Size)					
Comp. No.	Property	Size in SF	Rent per Month	Rent per SF	Tenant Appeal
5	Paloma	650	\$550	\$0.85	Average
2	Catalina	667	\$550	\$0.82	Average
Subject	Parc Kiviera*	667	\$550	\$0.82	Average
2	Catalina	675	\$550	\$0.81	Average
6	Granada	678	\$550	\$0.81	Average
4	Wyndham Gardens	725	\$550	\$0.76	Average

* All bills paid

Asking rents for this unit type range from \$0.76 to \$0.85 per square foot, excluding the subject. The most similar in size are the units at Rent Comparable 2, however all of the one bedroom units in this size range rent for the same amount, \$550 plus electric. This subject unit type should be able to command rent within this range, or \$550 (\$0.82 per s.f.) plus \$40 for utilities consideration, or a total of \$590 per month.

Estimated Market Rent, A3 667 s.f. Unit: \$590 per month, or \$0.89 per square foot.

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Rent Estimate for the Subject B1 Unit: This is a two bedroom, two bath unit with 810 square feet. Competing units are summarized as follows:

Summary of Comparable Two Bedroom, Two Bath Units (Arranged by Unit Size)					
Comp. No.	Property	Size in SF	Rent per Month	Rent per SF	Tenant Appeal
7	Villa Garrett (2 Br, 1 Ba)	800	\$620	\$0.78	Average
5	Paloma	802	\$625	\$0.78	Average
Subject	Parc Riviera	810	\$650	\$0.80	Average
2	Catalina (2 br, 1 Ba)	870	\$650	\$0.75	Average
2	Catalina	900	\$650	\$0.72	Average

* All bills paid

Asking rents for this unit type range from \$0.72 to \$0.78 per square foot, excluding the subject. The most similar in size are the units at Rent Comparable 5 which indicate a rent \$625. Most two bedroom units in this size range only have one bathroom in this sub-market. This subject unit should be priced at \$625 (\$0.77 per s.f.) plus \$60 for utilities consideration, or a total of \$685 per month.

Estimated Market Rent, B1 810 s.f. Unit: \$685 per month, or \$0.85 per square foot.

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Rent Estimate for the Subject B2 Unit: This is a two bedroom, two bath unit with 860 square feet. Competing units are summarized as follows:

Summary of Comparable Two Bedroom, Two Bath Units (Arranged by Unit Size)					
Comp. No.	Property	Size in SF	Rent per Month	Rent per SF	Tenant Appeal
Subject	Parc Riviera*	860	\$650	\$0.76	Average
6	Granada	882	\$650	\$0.74	Average
6	Granada	900	\$650	\$0.72	Average
2	Catalina	900	\$650	\$0.72	Average
2	Catalina	930	\$650	\$0.70	Average
5	Paloma	940	\$650	\$0.69	Average
3	Continental House	970	\$750	\$0.77	Average

* All bills paid

Asking rents for this unit type range from \$0.69 to \$0.77 per square foot, excluding the subject. The preponderance of two bedroom units in this general size range rent for \$650. The subject is at the lower end of this range in size and should probably be priced slightly below the predominate price. This subject unit should be priced at \$640 (\$0.74 per s.f.) plus \$65 for utilities consideration, or a total of \$705 per month.

Estimated Market Rent, B2 860 s.f. Unit: \$705 per month, or \$0.82 per square foot.

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Rent Estimate for the Subject B3 Unit: This is a two bedroom, two bath unit with 885 square feet. Competing units are summarized as follows:

Summary of Comparable Two Bedroom, Two Bath Units (Arranged by Unit Size)					
Comp. No.	Property	Size in SF	Rent per Month	Rent per SF	Tenant Appeal
6	Granada	882	\$650	\$0.74	Average
Subject	Parc Riviera*	885	\$650	\$0.73	Average
6	Granada	900	\$650	\$0.72	Average
2	Catalina	900	\$650	\$0.72	Average
2	Catalina	930	\$650	\$0.70	Average
5	Paloma	940	\$650	\$0.69	Average
3	Continental House	970	\$750	\$0.77	Average

* All bills paid

Asking rents for this unit type range from \$0.69 to \$0.77 per square foot, excluding the subject. The preponderance of two bedroom units in this general size range rent for \$650. This subject unit should be priced at \$650 (\$0.74 per s.f.) plus \$70 for utilities consideration, or a total of \$720 per month.

Estimated Market Rent, B3 885 s.f. Unit: \$720 per month, or \$0.81 per square foot.

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Based on the preceding estimates and analysis, current market rents and gross potential rent are summarized as follows:

Schedule of Estimated Monthly Market Rents						
Unit Type	No.	Actual Size in SF	Current Asking Rent	Estimated Market Rent		Total Monthly Rent
				Per Unit	Per S.F.	
A1 - 1 Bed - 1 Bath	2	495	\$450	\$500	\$1.01	\$1,000
A2 - 1 Bed - 1 Bath	12	558	\$500	\$535	\$0.96	\$6,420
A3 - 1 Bed - 1 Bath	24	667	\$550	\$590	\$0.88	\$14,160
B1 - 2 Bed - 2 Bath	16	810	\$650	\$685	\$0.85	\$10,960
B2 - 2 Bed - 2 Bath	6	860	\$650	\$705	\$0.82	\$4,230
B3 - 2 Bed - 2 Bath	24	885	\$650	\$720	\$0.81	\$17,280
Total Estimated Monthly Rental Income						\$34,050
Average Rent per Unit						\$643
Average Rent per SF						\$0.86
Note: Total number of units is 84 & average unit size is 751 s.f.						

Total annual **Gross Potential Rent** is calculated by multiplying the above estimate of monthly market rental income by 12 months as follows:

$$\$34,050 \times 12 \text{ months} = \$408,600$$

This estimate calculates to \$10.29 per rentable square foot per year, or \$0.86 per square foot per month, which, when compared to competing rent comparables on a whole property basis, appears to be reasonable, assuming that the subject is cured of deferred maintenance and considering that the subject rents on an all bills paid basis.

It is noted that income information furnished to us by the Ebby Halliday property management staff for January, February, March and April 2004 indicates gross rents collected for those months were \$28,631, \$29,506, \$33,520 and \$37,305 respectively. According to the on site manager this represented about 50 occupied units during January and February, increasing to 60 units as of April

28, 2004. If 60 units is assumed to be correct for April the average indicated rent was \$622 for units at a property with significant deferred maintenance.

Potential Other Income

As noted previously, in addition to apartment unit rental, the subject has only one additional capability for income generation and that is from the shared revenue from the vendor-owned eight washers and four dryers that are on site. Assuming that all machines cost \$0.50 per load, that each unit averages one washer load per week, that each dryer run accommodates two washer loads and that Parc Riviera receives 50% of the gross proceeds, we calculate annual income to Parc Riviera from this source as \$10,920, as follows:

Washer Income: 8 washers x \$0.50 x 84 units x 52 weeks =	\$17,472
Dryer Income: 4 dryers x \$0.50 x 42 units x 52 weeks =	<u>\$4,368</u>
Total Income:	\$21,840
Parc Riviera's 50% split (\$10.83 per unit per month):	<u>\$10,920</u>

Gross Potential Income (GPI)

Gross Potential Income (GPI) is the summation of Gross Potential Rent and Potential Other Income, both estimated earlier:

Gross Potential Rent:	\$648,000
Other Income:	<u>\$10,920</u>
Estimated Gross Potential Income (GPI):	<u>\$658,920</u>

Vacancy and Collection Loss

Our rent/occupancy survey included 553 operating units in seven apartment properties. The current weighted occupancy of the seven rent comparables is 89.1%, with a range of 80% to 99%. Sub-market occupancies for pre-1970s product have increased from the 3rd Quarter 2003's 77.1% to the 1st Quarter 2004's 86.1%. We consider that the stabilized occupancy at the subject, assuming that the existing deferred maintenance has been cured, would likely be between the direct comparables and the overall sub-market for pre-1970s product, or about 88%. It is expected that the average sub-market occupancy will remain fairly stable for the foreseeable future. However, if the subject is renovated we would expect it to outperform the market in terms of occupancy. We will use 8.5% as a stabilized vacancy factor and add 2% for collection loss. Therefore we will use a total of 10.5% as a stabilized vacancy and collection loss factor. Market occupancy rates, taken from the rent comparables presented earlier, are summarized in the table on the following page.

Summary of Market Observed Vacancy Rates				
No.	Property	No. Units	Tenant Appeal	Vacancy
1	The Belmont	82	Good	99%
2	Catalina	86	Average	88%
3	Continental House	175	Average	90%
4	Wyndham Gardens	90	Average	80%
5	Paloma	36	Average	86%
6	Granada	34	Average	97%
7	Villa Garrett	50	Average	85%
Subject	Parc Riviera	84	Poor	71%*

* Actual as of the effective appraisal date, with 60 of 84 units reportedly leased.

Based on the preceding data, effective gross income is calculated as follows:

Gross Potential Income (GPI):	\$658,920
Less Vacancy and Collection Loss at 10.5%:	<u>-\$69,187</u>
Effective Gross Income (EGI):	<u>\$589,733</u>

Analysis of Operating Expenses

We were not provided with any historical operating expenses to analyze. Therefore we must estimate the stabilized expenses for the subject by other means, principally from third party operating expense data as well as operating data from other apartment properties with which we are familiar. We will then estimate "typical" expense levels for the subject based on the information gathered and based on the presumption that the property will be operating at stabilized occupancy levels and will have benefit of third party professional management.

A local Dallas apartment operator for many years, Roland Freeman of Capital Consultants Realty Services, produces an annual multi-family operating expense report. He has been producing this report for over 20 years and his expense estimates have been used by the Dallas Apartment Association for years as a guide for apartment expenses in the Dallas/Fort Worth area during that time. Although his latest figures are for 2001, we have inflated his 2001 average expenses per

square foot by 3% per year. His survey contains operating data from 77 properties that have a combined 26,054 units. Average property size is 338 units and the average unit size is 785 square feet. His 2001 average expenses from the units he surveys was \$4.83 per square foot not including capital expenditures. When capital expenditures are included the total is \$5.71 per square foot. Typically, capital expenditures are considered below the Net Operating Income line in a chart of accounts and most market participants do not include them for pro forma purposes. Mr. Freeman's 2001 expenses, broken down according to his chart of accounts, follows. As previously noted we have inflated the 2001 line items by 3% per year to reflect 2004 expenses.

While Mr. Freeman's actual historical operating data will be considered in estimating expenses for the subject, it is recognized that Mr. Freeman's sample properties include a mix of newer and older properties, therefore the data may not necessarily reflect the estimated expenses for the subject.

Additional sources considered in estimating the subject's expenses were expense statements and analyses from information regarding typical apartment expenses in our files. Mr. Freeman's data is summarized in the following table.

	2001	2004 Estimate
Expense Item	Expense Per S.F.	Expense Per S.F.
Utilities	\$0.60	\$0.66
Taxes	\$1.28	\$1.40
Insurance	\$0.14	\$0.15
Payroll	\$1.08	\$1.18
Advertising & Promotion	\$0.16	\$0.17
Management Fee @ 5%	\$0.52	\$0.57
Repairs	\$0.86	\$0.94
Security	\$0.07	\$0.08
Miscellaneous	\$0.12	\$0.13
Sub-total	\$4.83	\$5.28
Capital Expenditures	\$0.88	\$0.96
Total	\$5.71	\$6.24

Pro Forma expenses for the proposed subject are estimated as follows, in three types of categories which include those noted on the following page:

Fixed Expenses

These are costs that usually remain relatively constant over a period of time regardless of use and typically include taxes and insurance.

Real Estate Taxes: Taxes for 2003 were previously estimated in an earlier section of this report at \$43,169, or \$0.69 per rentable square foot. As noted the DCAD has assessed this property toward the top end of the range, assigning it an average condition rating. Therefore it is our opinion that logically, no increase should take place after renovation. It is probable that tax rates for 2004 will increase so we will increase last years taxes by 3% to \$44,464 ($\$43,169 \times 1.03$).

Insurance: Property insurance rates increased after the 9/11/01 events. Premiums for multi-family properties typically range from the low to high 20s per square foot of building area. We will estimate an annual premium based on the 69,398 square feet of gross building area at \$0.26 per square foot, or \$18,000, rounded, annually.

Variable Expenses

Variable expenses are those expenses that vary with occupancy and use of the property, such as utilities, maintenance, advertising, reserves and so on.

Utilities: Utilities include electricity, natural gas, water and sewer, and this property rents on an all bills paid basis. Earlier in this section we estimated electric and natural gas expense at about \$1.70 per rentable square foot, or \$107,192 annually. In addition, we must also estimate water and sewer expense. We estimate that an average unit water and sewer usage will be about \$50 per month, or \$50,400 annually (\$0.80 per rentable square foot). Total annual stabilized utility expenses are estimated at \$157,592 ($\$107,192 + \$50,400$), or \$2.50 per rentable square foot. This amount equals an average of \$156 per unit per month for all utilities.

Trash Pick Up: Trash service is estimated at \$7.50 per unit per month for a monthly total of \$630, or \$7,560 annually. This equates to \$0.12 per rentable square foot.

Maintenance: Often, maintenance is reported as one figure on the statements of many management companies. This item can include building repairs, trash collection, pool maintenance, landscaping, any capital improvements (reserves) that have been expended during the year and regular apartment cleaning and redecorating.

For purposes of estimating maintenance expenses for this appraisal, maintenance is divided into several categories which include building maintenance, site maintenance, painting and redecorating and reserves for replacement. Painting and redecorating, along with reserves for replacements are estimated later; building and site maintenance are estimated here.

Building Maintenance: This item includes all maintenance items specifically associated with the building improvements including electrical, plumbing, damage, pest control, supplies, key and lock services, etc. It includes supplies for on-site maintenance/contract staff as well as funds for service companies. We have estimated \$300 per unit per year or \$25,200 annually (\$0.40 per rentable square foot).

Site Maintenance: This item includes landscaping, parking lot services and others. The subject has no swimming pools and minimal landscaping. We have estimated this expense on the basis of a monthly contract plus an allowance for non-reoccurring, miscellaneous repairs at \$3,400 (\$200 per month + \$1,000). This equates to \$0.05 per rentable square foot.

Painting and Redecorating: This expense covers the regular replacement or cleaning of draperies or mini-blinds, cleaning of carpeting, interior painting, occasional wall repairs, and other items which are necessary to lease units to new tenants. This item is not meant to include the periodic replacement of short-lived components. Reserves for Replacement cover the replacement of carpeting, appliances, and others. We have assumed that about 3% of the units, or about three units will turn over every month on average. We have also assumed the following unit make-ready costs: \$50 for carpet cleaning; \$75 for contract cleaning; and \$125 for painting, for a total of \$250 per unit. At three units per month this extends to a monthly expense of \$750 or \$9,000 annually, which is \$0.14 per rentable square foot.

Administrative: Office supplies, telephone, office furniture rental, postage and others are included in this category. We will use our judgement regarding an appropriate amount for this category and estimate \$300 per month, \$3,600 per year, or \$0.06 per rentable square foot.

Professional Management: In the current market, management proposals are very competitive for multi-family properties, and range from 3% - 5%, assuming normal property condition (i.e., the management company does not have to spearhead a renovation project). We will estimate a management fee slightly below the mid point, or 3.5% of effective gross income. On a stabilized basis this equates to \$20,641 per year, or \$0.33 per rentable square foot.

Payroll: Payroll expenses vary with the size of the property. For an 84 unit property the appropriate staff level includes an on-site manager, a maintenance person, a porter and a part time maid. The porter will also assist the maintenance person as necessary. Additionally, a part time leasing agent is necessary to give the manager some time off. This expense also includes payroll taxes, etc. This staffing level is about typical for a property with as many units as the subject and is considered reasonable.

In some instances it is typical for apartment owners to provide the on site staff with free or reduced rate apartments as part of their compensation. This is a typical and legitimate expense and one that should be considered in estimating overall payroll expenses. We will estimate this expense at \$75,000 or \$1.19 per rentable square foot.

Advertising and Promotion: Based on regular newspaper, telephone book, and flyer advertising, locator fees, and other promotions, stabilized advertising expenses are estimated at \$6,000 annually, or \$0.10 per rentable square foot.

Reserves for Replacements

Reserves for replacements are operating allowances for the replacement of the major short-life components of the property. It will be necessary at times to replace those building components which wear out faster than the main structure. Such items would include various mechanical components, roof cover, parking areas, and others. Therefore, each of these replacements has been estimated and included as an expense item. Though this expense item is seldom, if ever, set aside by the property owner, these costs will eventually be incurred and must be recognized in the Income Capitalization Approach, even though the total costs will usually be deducted from the net operating income in the year of their occurrence.

Major short-life components of a typical apartment building such as the subject include appliances, HVAC units, roof cover, parking lot, carpeting, and painting. The replacement costs of HVAC and other mechanical components are based only on the short-life components of these systems; for instance, the replacement cost of ducts and other non-moving parts would not be included; the compressors, fan motors, belts and so on are examples of items that are included. Therefore, the replacement costs used are less than the total cost of the component if it were installed new in a building today.

Reserves based on actual replacement costs can be calculated, however, most market participants do not follow this method. Instead, investors and managers typically use an amount per unit for reserves. A typical range is \$200-\$400 per unit per year. Because the subject is about 42 years old we feel a reserve amount of \$300 per unit annually, or a total of \$25,200 is reasonable under these circumstances. This equates to \$0.40 per rentable square foot. The reserves amount will remain stable each year.

Summary of All Expense Estimates

Total estimated operating expenses are \$395,657, or \$6.28 per rentable square foot and \$4,710 per unit. This results in a stabilized operating expense ratio of 67.1%. The apartment sales in the *Sales Comparison Approach* section of this appraisal indicate operating pro forma expenses ranging from \$5.75 to \$6.25 per square foot. Pro forma expense ratios ranged from 58.4% to 71.6%. These figures vary depending upon the scope of the property, its income level and its age. Thus our stabilized expense estimate of 67.1% for the subject seems reasonable based on the data included within this appraisal report.

A Stabilized Income and Expense Pro Forma using all of the previous estimates is presented on the following page.

Income and Expense Pro Forma
Prepared May 19, 2004

Renovated & Stabilized Income and Expense Pro Forma

	Amount	Per SF
Gross Potential Income		
Gross Potential Rent	\$648,000	\$10.28
Other Income	<u>\$10,920</u>	\$0.17
Total Gross Potential Income	\$658,920	\$10.45
Vacancy and Collection Loss at 10.5%	<u>-\$69,187</u>	-\$1.10
Effective Gross Income (EGI)	\$589,733	\$9.35
Expenses		
Fixed Expenses		
Real Estate Taxes	\$44,464	\$0.71
Insurance	<u>\$18,000</u>	\$0.29
Total Fixed	\$62,464	\$0.99
Variable Expenses		
Utilities	\$157,592	\$2.50
Trash Pick Up	\$7,560	\$0.12
Building Maintenance	\$25,200	\$0.40
Site Maintenance	\$3,400	\$0.05
Painting & Redecorating	\$9,000	\$0.14
Administrative	\$3,600	\$0.06
Mngt @ 3.5% of EGI	\$20,641	\$0.33
Payroll	\$75,000	\$1.19
Advertising & Promotion	<u>\$6,000</u>	\$0.10
Total Variable	\$307,993	\$4.89
Reserves for Replacements	<u>\$25,200</u>	\$0.40
Total Expenses (OER = 67.1%)	<u>-\$395,657</u>	-\$6.28
Net Operating Income (NOI)	<u>\$194,076</u>	\$3.08



TEXAS DEPARTMENT OF LICENSING AND REGULATION

Compliance Division/BOILER PROGRAM

P.O. Box 12157 Austin, Texas 78711 (512)463-2904 (800)722-7843 FAX (512)463-1376

Email Address: boilers@license.state.tx.us Internet Address: www.license.state.tx.us

In the event of a boiler accident the following is provided to ensure timely reporting of any boiler incident:

Boiler Rules

65.50 (f) Boiler accidents.

(1) In case of a serious accident, such as an explosion, the owner/operator shall immediately notify the chief inspector (notification information provided below) and authorized inspector. Neither the boiler nor any of the parts thereof shall be removed or disturbed, except for the purpose of saving human life or preventing further damage, before an inspection and investigation has been made by the chief inspector, deputy inspector, or authorized inspector. The authorized inspector shall notify the chief inspector before beginning an inspection and investigation of serious boiler accidents.

(2) To the extent necessary to conduct an inspection and subsequent investigation of a boiler accident, the owner/operator shall provide the chief inspector or deputy inspector free access to the boiler and accident area. The owner/operator shall provide the chief inspector or deputy inspector and authorized inspector with fragments, parts, appurtenances, documents, and records necessary to conduct an investigation of the accident.

(3) The chief inspector shall investigate, or cause to be investigated, each boiler accident to the extent necessary to reasonably determine the cause of the boiler accident.

Terry Parks, Chief Inspector
Texas Department of Licensing & Regulation
Compliance Division/Boiler Program
P. O. Box 12157
Austin, Texas 78711
(512)463-2904 or (800)722-7843

**Post this letter in a conspicuous place
under glass in the Control Room /Station
or Manager/Supervisor's Office.**



Mar 24, 2005 10:35 AM

HALLADAY LICENSING AND REGULATION

No. 6743

P. 1

BOILER CERTIFICATE OF OPERATION

200502170269

TEXAS
BOILER
NUMBER
156298

NATIONAL BOARD

004754

PRESSURE ALLOWED

000030

SAF VALVE PSI

000030

MFR. SERIALS

MFR.

INSP. TYPE

INSPECTION
DATE

01/12/2005

CERTIFICATE
EXPIRATION
DATE

01/12/2008

K865074

2885 LOCHINVAR

E

LOCATION

PARC RIVIERA APARTMENTS

5200 BELMONT AVENUE

DALLAS, TX 75206

The described boiler is authorized to operate until the expiration date shown unless sooner withdrawn or revoked for cause.


 CHIEF INSPECTOR

NOTICE - This certificate must be placed under glass in a conspicuous place on or near the boiler for which it is issued. Failure to meet this requirement will cause the boiler to be reinspected and the full inspection fee charged.

parts thereof shall be removed or disturbed, except for the purpose of saving human life or preventing further damage, before an inspection and investigation has been made by the chief inspector, deputy inspector, or authorized inspector. The authorized inspector shall notify the chief inspector before beginning an inspection and investigation of serious boiler accidents.

(2) To the extent necessary to conduct an inspection and subsequent investigation of a boiler accident, the owner/operator shall provide the chief inspector or deputy inspector free access to the boiler and accident area. The owner/operator shall provide the chief inspector or deputy inspector and authorized inspector with fragments, parts, appurtenances, documents, and records necessary to conduct an investigation of the accident.

(3) The chief inspector shall investigate, or cause to be investigated, each boiler accident to the extent necessary to reasonably determine the cause of the boiler accident.

Terry Parks, Chief Inspector
Texas Department of Licensing & Regulation
Compliance Section/Boiler Program

P. O. Box 13703

Austin, Texas 78711

(512) 463-2904 or (800) 722-7843

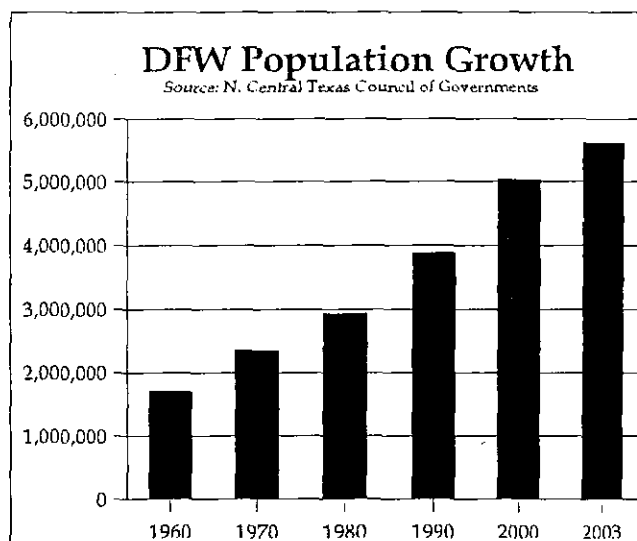
Post this letter in a conspicuous place under glass in the Control Room /Station or Manager/Supervisor's Office.

Austin Headquarters: E.O. Thompson State Office Building • 920 Colorado • Austin, Texas 78701

Regional Overview

The Dallas-Fort Worth Consolidated Metropolitan Statistical Area (CMSA) encompasses nine (9) counties which include Dallas, Tarrant, Denton, Collin, Rockwall, Kaufman, Ellis, Johnson, and Parker. This area covers approximately 7,012 square miles and is situated in the north central portion of the State of Texas. It includes such cities as Dallas, Fort Worth, Arlington, Irving, Plano, Richardson, Mesquite, Garland and others. The D/FW CMSA is currently the most populous region in the Southwestern United States, the ninth most populous in the United States, and has been the fastest growing major metropolitan area in the U.S. over the recent 1990s decade. The D/FW northern suburbs currently rank among the fastest growing cities in the nation.

The Dallas metro area is the economic and cultural capital of the Southwestern United States. It is the third largest hub for corporate headquarters and high-tech companies in the country. RadioShack, EDS, Southland Corp., CompUSA, Texas Instruments, Tandy, American Airlines, Dr. Pepper/Seven-Up Cos., JC Penney, Southwest Airlines, Lockheed Martin, Neiman Marcus, and Greyhound Lines are among the companies headquartered in the Dallas-Fort Worth region. The area has also evolved as a major distribution and warehousing hub and the Dallas-Fort Worth International Airport is the third busiest airport in the world. Dallas has always been a popular destination for people and businesses relocating, but has become even more desirable recently. A study by *Plants, Sites & Parks* magazine ranks Dallas the number one relocation destination in 2004. Last year, Dallas came in sixth place. For the survey, readers are asked to name in order of preference the three metro areas where they would most likely put their next office or industrial facility.

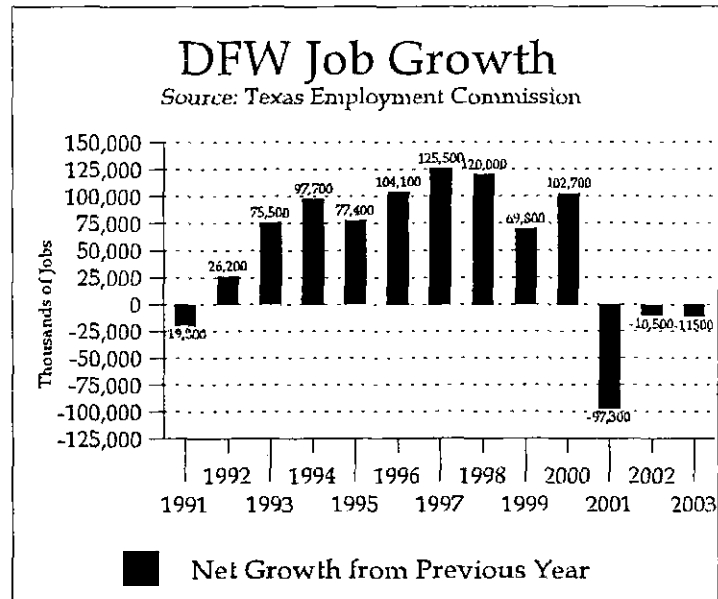


After an extended period of turmoil in the late 1980s and early 1990s in its real estate markets and general economic performance, the Dallas-Fort Worth region entered into a period of extended economic recovery. During the last half of the 1990s decade, the DFW region regained its traditional position as a national leader in job growth, household formation, and economic diversity. Virtually all of the region's real estate product types enjoyed improved market conditions during that time period, with positive demand, rising or stable occupancy levels, rising rent rates, and new construction.

Having a diversified economy, the Dallas-Fort Worth regional economy now tends to mirror the National economy. Following the National recession, the economy of the Dallas-Fort Worth region has also slowed, and this slowdown is generally pegged to have begun near the end of Year 2000. In addition, following the terrorist attacks of September 11, 2001 on New York and Washington, D.C., layoffs throughout several sectors occurred locally which resulted in further economic

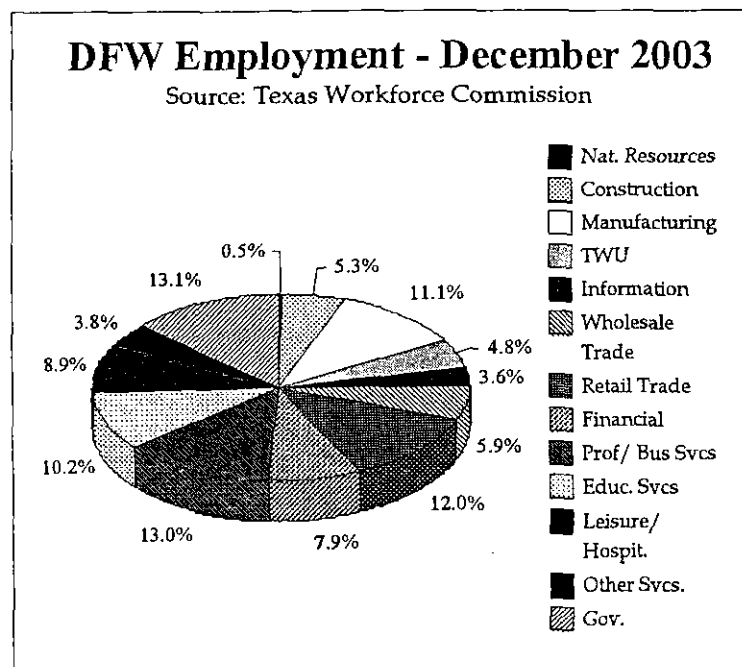
contraction. In particular, the region's largest employer - American Airlines - experienced a wave of layoffs in the aftermath of the terrorist attacks and the war with Iraq. However, after struggling to avoid bankruptcy, American Airlines became profitable again beginning in the 3rd Quarter of 2003, and is beginning to hire again after substantial layoffs during 2002 and early 2003. This trend is seen among other industries where additional layoffs took place but are now reversing hiring trends. Nevertheless, some layoffs continue, especially in the technology sector which continues to lag the recovery of other industries. Electronic Data Systems, which employs over 5,000 people in North Dallas, continues layoffs

that were previously announced, as well as several telecommunications companies. However, Texas Instruments, Raytheon, Lockheed Martin, and Bank One have announced plans to add additional employees and other companies based in the Dallas-Fort Worth area have also indicated similar hiring practices in the future. As of this writing, most analysts agree that the local job market is beginning to follow the improving trend seen in the economy.



Economic Base: The economic base of the Dallas-Fort Worth region is widely diversified, which has contributed to its relative health during times of economic downturns, both nationally and

locally. The Dallas-Fort Worth area has long been known as a banking and finance center, but its economic base is also supported by manufacturing, wholesaling, distribution, transportation and defense industries. Telecommunications, high-tech hardware, and software development are now important components and have grown in importance in the economy in recent years.



Demographics and Population Growth: Historically, the Dallas-Fort Worth region has exhibited some of the most vigorous population growth rates in the nation. Based on U.S. Census Bureau data, total population in the sixteen county North Central Texas Region (a larger area than the CMSA) has grown from 1,851,111 in 1960 to 5,713,350 as of January 1, 2003, resulting in a compound rate of growth of 2.66% per year over that 43 year period. Year 2003 population in the sixteen county region has increased since 1990's number of 4,111,750 by 1,601,600 persons, *an increase over that 13-year period of 38.9%*. The region is the fastest growing major metropolitan area in the United States and accounts for nearly one-third of the total population growth in the State of Texas. With the 2000 Census, the State of Texas passed New York to become the second most populous state in the Union, and regional population is now greater than 34 entire states. This pace of growth is expected to continue into the foreseeable future.

Neighborhood and Market Area Defined: The subject market area is an inner city urban area located adjacent to the northeast corner of downtown Dallas. It is one of the older neighborhoods in the Dallas area, with some buildings that date back to the early 1900's. However, significant gentrification and re-development has taken place in some parts of this market area over the last several years. This market area is generally referred to as the East Dallas market area.

East Dallas is situated along the east side of Central Expressway (U.S. Highway 75) and north of Interstate 30. The north boundary of the neighborhood is less well defined, but generally can be said to end at around Mockingbird Lane. The eastern boundary is also less well defined, but generally follows White Rock Creek. Portions of this market area are sometimes referred to as "Intown" Dallas, and will be included as part of the East Dallas market area for our demographic purposes. The market area includes a diverse mixture of neighborhoods including upscale single family neighborhoods, lower income high-density residential neighborhoods and intense retail and commercial districts.

Access: General access to the neighborhood is excellent since it is bounded on the west, southwest, and south by major limited access freeways. The neighborhood can be reached easily from virtually any point in the Dallas Metropolitan area.

Immediate access within the neighborhood is well developed, having been in place over a number of years. Many of the streets cross in a southeast to northwest and northeast to southwest pattern and extend beyond the neighborhood into adjacent areas. Major southeast to northwest arterials include Haskell Avenue, Peak Street, Bennett Avenue and Henderson Avenue. Arterials running from southwest to northeast include Ross Avenue, Live Oak Street, Gaston Avenue, and Main Street. The last four streets continue from the neighborhood into downtown Dallas.

The Dallas Area Rapid Transit authority (DART) rail lines traverse the market area running parallel to U.S. 75 as well as east along the northern section of the sub-market. DART rail stations within the market area include the Mockingbird Station and Cityplace Station.

Zoning and Land Use Patterns

The subject East Dallas market area is an older, urban neighborhood, having been established many decades ago northeast of downtown Dallas. It is a mixed use area and includes many older residences, apartment complexes, loft warehouses, and other commercial buildings. Some of these properties are being re-furbished into alternate uses. There has been significant gentrification as well as re-development in this neighborhood over the last several years. Land use appears to be in transition, with many of the older, less functional buildings either being replaced or re-furbished.

Knox/Henderson: The subject property is located within this neighborhood. The neighborhood generally extends along Knox Street and Henderson Avenue from the town of Highland Park on the west to Ross Avenue on the east. This neighborhood is bisected by North Central Expressway (U.S. 75). Although Knox/Henderson is the primary street throughout the neighborhood, it is known as Knox Street west of U.S. 75 and Henderson Avenue east of U.S. 75. West of U.S. 75 re-development has been going strong for the past 10 years, and radiates from the upscale retail area that is centered at Knox Street and McKinney Avenue. This area includes high rise apartment developments, office buildings, condominiums, townhouses, renovated single family residences, etc. This area has become so re-developed that land, and subsequent development costs, especially for multi-family development, have escalated significantly during the past few years. The result has prompted the development community, in response to the market, to find nearby areas that afford residents similar residential developments as in the "high rent" district without the high rents.

This has resulted in developers looking at re-development possibilities east of U.S. 75, which, until one or two years ago, had not experienced very much re-development. More typically, apartment owner-operators east of U.S. 75 in this neighborhood have purchased older apartment properties at relatively low prices which allowed the possibility of some degree of renovation and would still be economically feasible to rent to the existing neighborhood tenancy. As demand for re-development properties escalates in the immediate neighborhood, especially for multi-family land, prices have been bid up to the point that, in some cases, it is more economically feasible to demolish existing apartments and build new ones than to renovate existing properties. The significantly higher rents at the new properties than at the older ones have subsequently attracted a new tenancy to the area, one which is capable of paying increased rents. Thus the gentrification of the immediate area has begun.

Gentrification is a phenomenon where middle and upper middle income people purchase neighborhood properties to renovate or rehabilitate them. Gentrification often results in lower income people being displaced. It also reverses the process of decline in a neighborhood.³ This process is in evidence throughout the market area, particularly among the older, stately homes and older warehouses that are being converted into loft apartments.

The remainder of the neighborhood consists of older single family homes, apartment complexes, and commercial buildings. Some residential properties have been re-zoned for commercial use and the city of Dallas has also re-zoned large districts to "planned development" zoning to allow for continued transition under a continuity of development parameters. A number of functionally and economically obsolete properties and blighted blocks remain in this market area, but it is an area that is clearly being re-developed and is in transition.

Demographic Profile

A custom demographics study of the area surrounding the subject property has been undertaken by Coyle Realty Advisors. This demographics study is based on 1, 3, and 5 mile rings from the subject property. Pertinent data on households and population growth in the study area is summarized in the table on the following page.

Within a 1 mile radius from the subject property, there is a population base of 35,666 people. Within a 5 mile radius there are over 150,000 households. As an indication of the stability throughout the area, population growth has been slightly lower than the Dallas-Fort Worth MSA during the 1990's. Projected population and household growth for the next five years is more in line with MSA averages. Population and household information is summarized in the top table on the following page.

³ *The Appraisal of Real Estate*, Twelfth Edition, Appraisal Institute, Chicago, Page 167.

Subject Market Area Demographic Statistics Centered on 5130 Belmont Avenue, Dallas, Texas Source: STDB On-line					
Attribute		1 Mile Radius	3 Mile Radius	5 Mile Radius	DFW MSA
POPULATION	1990 Census	29,383	156,906	312,063	4,036,563
	2000 Census	33,817	175,979	353,857	5,221,801
	2003 Estimate	35,666	185,614	373,648	5,437,755
	2008 Forecast	38,845	199,672	400,110	5,998,305
	Annual Growth Rate, 90-00	1.4%	1.2%	1.3%	2.6%
	Annual Growth Rate, 03-08	1.7%	1.5%	1.4%	0.9%
HOUSEHOLDS	1990 Census	12,011	67,854	133,326	1,508,015
	2000 Census	13,539	76,675	143,941	1,906,764
	2003 Estimate	14,135	80,494	150,708	1,980,007
	2008 Forecast	15,160	85,614	159,321	2,166,961
	Annual Growth Rate, 90-00	1.2%	1.2%	0.8%	2.4%
	Annual Growth Rate, 03-08	1.4%	1.2%	1.1%	0.9%

Neighborhood Income Characteristics Centered on 5130 Belmont Avenue, Dallas, Texas Source: STDB On-line				
Attribute	1 Mile Radius	3 Mile Radius	5 Mile Radius	DFW MSA
2003 Per Capita Income	\$21,498	\$38,141	\$32,481	\$30,943
2003 Average Household Income	\$54,640	\$87,384	\$78,915	\$79,829
2003 Median Household Income	\$38,434	\$46,202	\$42,096	\$44,204

Economic Base & Employment

Household income levels in the neighborhood are summarized in the bottom table on the preceding page. The income demographics for this market area, except for the three mile ring, where they are greater, indicate that per capita, median and average household income levels are all slightly below Dallas-Ft. Worth MSA averages, testimony to the historic lower middle income status of the market area.

Utilities

Water and sanitary sewer is provided by the city of Dallas. Private vendors provide telephone, gas, and electricity. Utility service is well developed and generally widely available in the neighborhood.

Nuisances and Hazards

No nuisances or hazards such as smog, fog, noise, vibrations, odors, air or water pollution, waste dumps, or others were readily apparent during the investigation of the neighborhood. An environmental survey or other such report on the neighborhood has not been provided for this appraisal, nor are appraisers typically qualified to make determinations regarding the presence of environmental hazards in any given area. Value conclusions contained in this appraisal are based on the assumption that no environmental hazards exist in the neighborhood, unless otherwise noted and readily apparent. A few natural drainage channels traverse the area, however, flood plain is generally confined to those immediate areas.

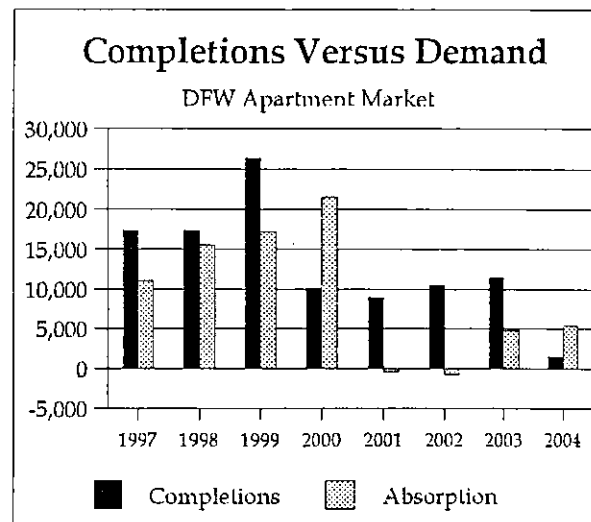
Apartment Market Conditions

Apartment market conditions for the region and the subject sub-market are discussed in this section to determine the overall market health for multi-family properties.

The weak fundamentals that have plagued the Dallas-Fort Worth apartment market are beginning to strengthen as initial signs emerge that the market is beginning to stabilize. Surprisingly, these fundamentals never translated into a weak market for transactions during 2003, as the volume of new starts and re-sales remained brisk, capitalization rates dropped to levels not previously seen in this area, and prices remained firm.

According to the latest figures (1st Quarter 2004) from M|PF Research, Inc., a Dallas based firm engaged in nation-wide apartment data research, there are a total of 534,935 apartment units in the Dallas-Fort Worth region with an overall occupancy rate of 89.8%. Average rent is currently \$649 per month. M|PF Research, Inc., in its 1st Quarter 2004 *D/FW Apartment Report*, reports that effective rents have fallen by 1.8% in the past twelve months. However this is a much smaller annual decrease than in previous quarters.

Occupancy rates have declined because of weak job growth, excess new construction, and competition from the entry level new home market which is being driven by historically low mortgage rates. Most importantly, developers have continued to add new product, even in the face of weak demand. The number of completions and yearly demand is illustrated by the chart at right; clearly, demand has not exceeded new construction in any year except for 2000 and it has been particularly out of balance over the last three years. A huge negative absorption took place during the 4th Quarter 2003, bringing annual demand and supply out of balance for the third year in a row. However, as the single family market cools off and hiring begins to increase, apartment absorption has returned to positive in early 2004, with a reported absorption of 5,380 units in the 1st Quarter. If this demand is sustained through the rest of the year, occupancy and rents should stabilize.



The subject is located within the East Dallas apartment sub-market and includes a large portion of the city of Dallas located north of Interstate 30 and east of Central Expressway. The East Dallas apartment sub-market consists of 7,610 apartment units within 185 separate communities. Generally speaking, the East Dallas apartment market is somewhat diverse with a mix of mostly older static properties with some new development taking place that results in gentrification in pocket areas. According to M|PF Research, the East Dallas sub-market only added 26 new units during 2003. However, 609 new units are expected to be completed during 2004. New communities under construction in the sub-market include the Easton on Henderson, a 150 unit complex at the south corner of Henderson Avenue and Manett Street, Cityville at Fitzhugh, a 221 unit complex

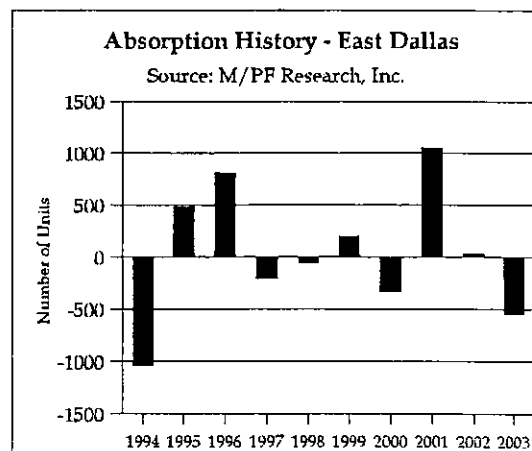
at the southwest corner of Henderson Avenue and Alcott Street and Cityville at Live Oak, a 238 unit complex at the north corner of Live Oak Street and Haskell Avenue. The majority of existing apartments constructed in the sub-market were built prior to 1970, representing 50% of the existing supply.

Summary of Apartment Market Conditions East Dallas - 1 st Quarter 2004 Source: M/PF Research			
Attribute	Sub-market	Sub-Market Pre-1970	Dallas Metro
Market Size	7,610 units	3,827 units	392,599 units
Absorption, 4 Qtrs	-300 units	not applicable	7,170 units
Completions, 4 Qtrs	26 units	not applicable	7,286 units
Occupancy	84.9%	86.1%	89.6%
Average Monthly Rent	\$670	\$601	\$699

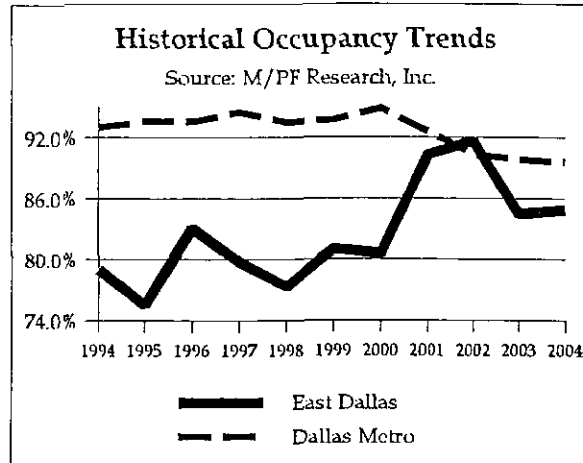
Historical absorption in the East Dallas apartment sub-market is graphed in the chart below right. As this is a relatively diverse sub-market, absorption has been somewhat volatile, with annual absorption ranging from 1,050 units to negative 1,040 units. Following an unexpected surge in absorption during 2001, the economic slowdown contributed to a lackluster performance in the sub-market during the last two years. After negative absorption of - 300 units during the last four quarters, effective the 1st Quarter of 2004, M | PF Research, Inc. forecasts absorption of 300 units through the next four quarters. However, this increased level of absorption will not exceed the new supply of 609 units planned for this time period.

A history of occupancy for both the East Dallas sub-market and the Dallas metro is illustrated in the chart on the following page. Overall sub-market occupancy is reported at 84.9% as of the 1st Quarter of 2004, with pre-1970 product occupancy at 86.1%.

These occupancy rates are quite volatile and are indicative of the changes in new supply and surrounding competition throughout the last 10 years. Following a drop in occupancy in the late-1990s, occupancy climbed to a record high of 91.7% in 2002. However, new supply in nearby competing sub-markets contributed to a sharp decline in occupancy through 2003. The new supply planned in 2004 will



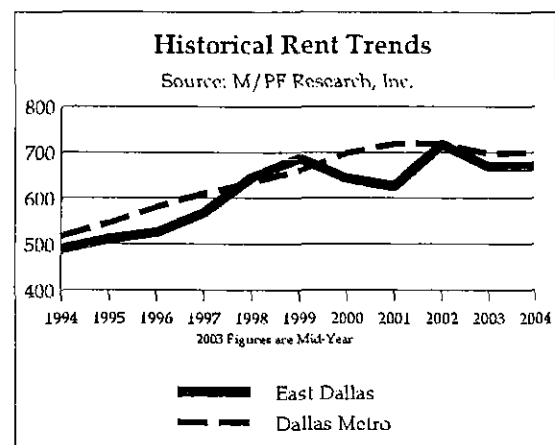
prevent occupancy levels from rising during the next year as there does not appear to be sufficient demand to absorb this new supply.



Annual rents for apartments in the East Dallas sub-market during the 10 year period from 1994 through 2004 are illustrated in the chart below right. As illustrated, sub-market rents have been more in line with Dallas Metro averages compared to sub-market occupancy and absorption performance.

Similar to other sub-markets throughout the Dallas Metroplex, the East Dallas sub-market has experienced a slight decrease in rents since 2002, but should begin to stabilize through 2004.

The outlook for the East Dallas apartment sub-market is a little uncertain due to the large amount of new supply in the process of becoming available. If not for these new developments, continued stability, with a slow recovery of occupancy and rental rates would likely occur in the near future. Historically, absorption has not been strong during periods of new supply, and the forecasted 300 units absorbed will not be sufficient to meet the new supply in 2004. However, this level of new supply will probably not be sustained in the immediate future as sub-market gentrification is typically a slow process. The sub-market is mostly built out with little available vacant land, and developers of new multi-family product typically must demolish existing buildings in order to have land to develop. This process is not only slower than buying vacant land, it often includes the additional expense of re-zoning, stringent site planning, etc. that eventually add up to more expensive development land and high density developments. As economic conditions in the DFW Region stabilize in the coming 12-24 months, new job formation is expected to generate additional demand for multi-family units, particularly since the subject property is located adjacent to large employment districts within and near the Dallas Central Business District. This should lead to healthier market conditions, including higher overall occupancy rates and higher rent levels.



Conclusions

The subject market area and neighborhood is an older, established area located in the eastern central area of the city of Dallas. Land use consists of older single and multi-family residential developments with a variety of established retail and commercial corridors along major thoroughfares. Although the neighborhood is well established, some growth is anticipated in both population and households during the near future due to gentrification in various neighborhood areas.

With the development of 609 new living units throughout the sub-market within the next 12 months, the overall stabilizing trend in market fundamentals is at jeopardy. However, the majority of absorption of these new units will be from demand introduced to the sub-market. The demand at the older communities within the sub-market is from a distinctly different tenant profile than that at new properties so the overall market conditions can be misleading. If new product continues to develop, and if land for those developments is taken from older apartment sites, the dwindling supply of older product could be a boon to remaining properties in terms of occupancy.

As economic conditions continue to improve and the job market recovers, demand for the new multi-family product will eventually match the current new level of supply, but only if further completions slow in the future. It is expected that demand for older product will remain fairly consistent into the foreseeable future.

TERMS OF SALE FOR 5130 & 5222 Belmont Avenue, Dallas, Texas 75206

Sale #05-66-844

GENERAL INFORMATION:

The placement of a successful bid at a U.S. Department of the Treasury auction establishes a legally binding contract between the successful bidder and the Government. The auctioneer's announcement of the high bid amount and the bidder's number establishes the contract, which is subject to final acceptance by the Government. This contract is bound by these Terms and Conditions, any Special Terms and Conditions published by the Contractor for the specific auction, 19 CFR Customs Duties Part 162, and all other Federal regulations governing contracts for the purchase of Government property, which may be found at <http://www.arnet.gov/far/>. The successful bidder is legally bound to pay for property awarded in accordance with his/her bid.

EG&G Technical Services, the Contractor, is acting as the agent of the Government with respect to the sale of Government real property at these auctions. The Contractor may videotape the auction and record phone bidding to assist in any future contract resolution actions.

ELIGIBILITY OF BIDDERS

The Bidder warrants that he/she is not: (a) under 18 years of age; (b) an employee of any department or agency of the Federal Government prohibited by the regulations of that agency from purchasing property sold hereunder; (c) an agent or immediate member of the household of the employee in (b), above; (d) the Contractor, subcontractor or vendor, or their agent who has access to information concerning the property to be sold at U.S. Department of the Treasury/U.S. Customs Service auctions that is not generally available to the public; (e) presently debarred or declared ineligible for the award of contracts by any Federal agency in accordance with 41 CFR 101.45.6; or (f) the party, or agent of the party(s), from whom the property was seized.

The Contractor's subcontractor may not act as agent for a third party in purchasing U.S. Department of the Treasury/U.S. Customs Service real property that is or has been in their custody or control. For breach of this warranty, the Government shall have the right to cancel the contract without liability.

REGISTRATION OF BIDDERS:

Persons wishing to participate in the bidding process of the sale are required to obtain, fill out, and deliver a bidder registration card during the registration process for each sale.

In the event a person is bidding on behalf of another party, an original notarized Power of Attorney must be presented at the time of registration. Power of Attorney must include the buying party's social security number.

An Individual's signature on the bidder registration card is an acknowledgment of his/her full and complete understanding of all Terms and Conditions and his/her agreement to be bound thereby. Therefore, bidders are cautioned to carefully read all applicable Terms and Conditions contained in this document and the sales flyer/brochure before signing the bidder registration card. Bidders must present a photo ID and evidence of earnest money deposit in the amount of **\$50,000** in the form of cashier's or certified check made payable to **EG&G Tech Svcs** as a prerequisite of registration.

Each registered bidder will be issued a bidder number upon completion of the registration process. Each bidder is solely responsible for the use of his/her bidder number and any use by another person is presumed to be with the consent of and contractually binding on the registered bidder.

The registrant agrees that, should the registrant be the successful bidder of a property lot, the following information regarding the transaction shall be published on the U.S. Department of the Treasury auction website: (1) the registered bidder's name; (2) the property's address; (3) the purchase price of the property. Electronic Freedom of Information Act Amendments of 1996 (5 U.S.C. 552 (2000)).

EARNEST MONEY DEPOSIT:

Immediately after the bidding is completed the high bidder and second high bidder (Back-Up Bidder) will be required to make a **\$50,000** earnest money deposit in the form of a cashier's/certified check made payable to EG&G Tech Svcs. A real estate contract will be executed at this time by the high bidder and back-up bidder. The terms of the real estate contract supersede the Terms of Sale.

The high bidder shall deliver ten percent (10%) of the Purchase Price less the initial money deposit, whichever is greater, to EG&G Technical Services by cashier's/certified check, payable to EG&G Tech Svcs Inc. or by bank wire transfer. Within three business days, should the

high bidder fail to deliver the earnest money, Seller shall have all rights and remedies provided in the Terms of Sale, including the right to retain the initial money deposit and any other deposits or payments made by the high bidder as liquidated damages.

Bank Wire Instructions: Northern Trust Company
50 South LaSalle Street, Chicago, IL 60675
Routing No. (ABA) 071-000-152

With Final Credit to: EG&G Technical Services
Account No: 24171 / Ref: Property Address

The successful bidder's deposit(s) will be retained as the initial payment for the property. Personal or business checks, bank letters, or letters of credit will not be accepted. Cashier's checks made payable to the bidder's name CANNOT be accepted.

BACK-UP BIDDER:

The back-up bidder's earnest money deposit will be returned by certified mail or overnight delivery service within three (3) business days after receiving total earnest money deposit from the high bidder. In the event earnest money is not received from the high bidder within the time period specified, the back-up bidder will become the high bidder at the Purchase Price stated in the back-up bid contract. The back-up bidder is obligated to transmit earnest money as stated above within three (3) business days of notification. The foregoing liquidated damages provision shall apply to the back-up bidder.

INSPECTION OF PROPERTY:

The bidder is invited, urged, and cautioned to inspect the property prior to submitting a bid. Failure to inspect property shall not constitute cause for cancellation of sale. Property will be available for inspection at the times specified by the Contractor. Absolutely no access to property is allowed without prior Contractor authorization. At their own expense, potential bidders may have property inspectors examine the property during regularly scheduled open houses.

LEAD-BASED PAINT (for properties built before 1978):

Disclosure of information on Lead-Based Paint and Lead-Based Paint Hazards and the EPA pamphlet "Protect Your Family From Lead in Your Home" will be available at scheduled viewing times, or may be obtained by calling the Public Auction Line (703) 273-7373. Buyer acknowledges responsibility for all costs associated with the abatement and remediation of any disclosed or potential hazards associated with the property.

ORAL STATEMENTS AND MODIFICATIONS:

Changes may be made on the day of the sale to the property status or descriptions in the sales flyer/brochure. These changes take precedence over previous sales flyer/brochure information pertinent to that property, but do not alter in any way the basic Terms and Conditions of sale. Further, no interpretation of any provision of the sales contract, including applicable performance requirements, shall be binding on the Government unless furnished to and agreed upon, in writing, by the Contracting Officer or his/her designated representative.

REAL PROPERTY DESCRIPTIONS:

The bidder understands and agrees that the property is offered, purchased, and accepted by the buyer "AS IS" and "WITH ALL FAULTS." The Government and its agent make no warranties or guarantees whatsoever whether written, oral, or implied as to quality, condition, or habitability.

All information contained in the sales flyer/brochure was derived from sources believed to be correct, but there is no guarantee. Buyer acknowledges that he/she relied entirely on his/her own information, judgment, and inspection of the property.

If a legal misrepresentation is determined before the final closing on the property, the Government reserves the right to cancel the sale and refund any earnest/deposit money paid.

OFFERING OF PROPERTY FOR AUCTION AND SUBMISSION OF BIDS:

Once the Government accepts a bid, a final written sales contract will be prepared to include the individual information of the high bidder along with the accepted bid amount. A contract may also be conditionally established with the recognized back-up bidder for execution if the high bidder defaults for any reason or is rejected by the Government.

In the event of a dispute as to final bid amount, the Government reserves the right to review the video and audio tape of the auction for clarification or to re-offer the property in question.

WRITTEN BIDS:

Written bids may be submitted in person, by registered mail, or by overnight delivery service if the bidder is unable to attend the auction. The appropriate deposit per property by cashier's/certified check only, must accompany your written bid. The cashier's check deposit must be made payable to: **EG&G Tech Svcs**

Written bids for the property must be received no later than **April 27, 2005**, at the following address: EG&G Technical Services, Department of the Treasury Seized Real Property Support, 7723 Ashton Avenue, Manassas, VA 20109, Attn: Real Property Sales.

Unsuccessful written bidders' deposits will be sent to the bidders by certified mail or overnight delivery service within five (5) business days after the sale.

CONSIDERATION OF BIDS:

The Government reserves the right to reject any or all bids, and to waive any technical defects in bids. Property is sold with a minimum reserve price unless the property is, in explicit terms, offered without a minimum reserve price. If the minimum reserve price is not achieved, the Government may withdraw the property at any time before the sales contract is executed.

FINANCING:

The buyer is responsible for obtaining his or her own financing arrangements as required. The Government does not provide financing for the purchase of any property offered under these Terms and Conditions. Bidders are strongly recommended to investigate and secure financing arrangements, if required, prior to attendance at a public offering.

Failure to obtain financing during the closing process does not relieve the buyer of his/her legal responsibility and obligation for completion of the contract. Failure to comply with all provisions of the sales contract regarding closing may result in termination of the contract because of buyer's default and may result in the forfeiture of any earnest/deposit funds.

CLOSING:

Closing will be held within 45 calendar days of the date the Government signs the sales contract accepting the Buyer's offer. Closing may be held sooner, with mutual agreement of Buyer and Seller. Only the Seller may, at its discretion, exceed closing beyond 30 calendar days. Closing costs including, without limitation, transfer taxes, documentary stamps, recording fees, and escrow fees will be paid by the Buyer and Seller in accordance with the customs of the county in which the property is located. In the event Buyer desires title insurance, it will be at the Buyer's expense.

GOVERNMENT DEED:

Insurable Title will be transferred via a Specialty Warranty deed. Liens and other encumbrances will be paid by the Government. Title insurance is available at Buyer's expense.

DEFAULTS:

Failure to make required deposit or final payments and/or comply with the time frames specified in the sales flyer/brochure shall be deemed default of the high bidder and may result in cancellation of the contract and forfeiture of any rights, title, and interest the Buyer may have acquired. In that case, title of the property will remain with the Government and will result in the forfeiture of the deposit. If the default occurs because of failure to make the required deposit, the buyer shall be liable to the Government for liquidated damages in the amount of that deposit.

PROPERTY OFFERED FOR IRS-CI:

In accordance with 18 USC Section 1963(f) and 21 USC Section 853(h) of the Comprehensive Crime Control Act of 1984 and Department of the Treasury Policy, forfeited (real) property will not be sold to the defendant or person(s) acting as his/her agent. A real property sales contract may be cancelled by the Government in compliance with the above statutes or policy.

ADDITIONAL TERMS & CONDITIONS:

The preceding contains only selected Terms and Conditions of Sale. Complete Terms and Conditions will be available at the viewing and auction or may be obtained from our website at www.treas.gov/auctions/customs/realprop.html. If all your questions are not answered using our website, or you do not have internet access, please call our Public Auction Line at (703) 273-7373 or fax (703) 361-3671.

COMMITMENT

SCHEDULE A

EFFECTIVE DATE: November 2, 2004, 08:00 A.M.

Commitment #: 2200368-D-0023 Revised - C
GF NO.: 2200368-D-0023

Issued: 11/16/2004, 08:00 A.M.

1. The policy or policies to be issued are:

- (a) **OWNER POLICY OF TITLE INSURANCE (Form T-1)**
(Not applicable for improved one-to-four family residential real estate)

Policy Amount: \$0.00
PROPOSED INSURED:

- (b) **TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)**

Policy Amount: \$0.00
PROPOSED INSURED:

- (c) **MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2)**

Policy Amount: \$0.00
PROPOSED INSURED:
Proposed Borrower:

- (d) **TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY
OF TITLE INSURANCE (Form T-2R)**

Policy Amount: \$0.00
PROPOSED INSURED:
Proposed Borrower:

- (e) **MORTGAGEE TITLE POLICY BINDER ON INTERIM
CONSTRUCTION LOAN (Form T-13)***

Binder Amount: \$0.00
PROPOSED INSURED:
Proposed Borrower:

- (f) **OTHER**

Policy Amount: \$0.00
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:

Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:

UNITED STATES OF AMERICA, BY AND THROUGH THE INTERNAL REVENUE SERVICE

GF No.: 2200368-D-0023

4. Legal Description of land:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

TRACT 1:

Being LOTS 3, 4, 5 and 6 in BLOCK C, CITY BLOCK 1993, of BON VIEW PLACE, an Addition to the City of Dallas, Dallas County, Texas, according to the Plat recorded in Volume 1, Page 43, Map Records, Dallas County, Texas, and being more particularly described as follows;

BEGINNING at a point in the Southeast line of Belmont Street, (a 50 foot R.O.W.), said point being South 38 degrees 53 minutes West, a distance of 200.00 feet from the intersection of the said Southeast line of Belmont Street with the Southwest line of N. Henderson Avenue, (a 50 foot R.O.W.), said point also being the most Northerly corner of said Lot 6, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the common line of Lots 6 and 7, a distance of 200.00 feet to a point in the Northwest line of a 20 foot alley, said point being the most Easterly corner of said Lot 6, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the Northwest line of said 20 foot alley, a distance of 400.00 feet to the most Southerly corner of said Lot 3, a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 00 minutes West, with the common line of Lots 2 and 3, a distance of 200.00 feet to a point in the said Southeast line of Belmont Street, said point being the most Westerly corner of said Lot 3, a 1/2 inch iron rod found for corner;

THENCE North 38 degrees 53 minutes East, with said Southeast line of Belmont Street, a distance of 400.00 feet to the PLACE OF BEGINNING and containing 79,544 square feet of land, more or less.

TRACT 2:

Being LOT 7 and part of LOT 8, BLOCK C, CITY BLOCK 1993, of BON VIEW PLACE, an Addition to the City of Dallas, Dallas County, Texas, according to the plat recorded in Volume 1, Page 43, Map Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at the intersection of the Southeast line of Belmont Street, (a 50 foot R.O.W.), with the Southwest line of N. Henderson Avenue, a 50 foot R.O.W.), said point being the most Northerly corner of said Lot 8, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the said Southwest line of N. Henderson Avenue, a distance of 150.00 feet, to the Northeast corner of a tract of land conveyed to Lynda P. Demoss by deed recorded in Volume 89251, Page 3462, Deed Records, Dallas County, Texas, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the North line of said Demoss tract, a distance of 100.00 to a point in common line of Lot 7 and 8, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the common line of Lots 7 and 8, a distance of 50.00 feet to a point in the Northwest line of a 20 foot alley, same being the common Easterly corner of said Lots 7 and 8, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the Northwest line of said 20 foot alley, same being with the Southeast line of said Lot 7, a distance of 100.00 feet to the most Southerly corner of said lot 7, a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 00 minutes West, with the common line of Lots 6 and 7, a distance of 200.00 feet to a point in the said Southeast line of Belmont Street, said point being the common Westerly corner of Lots 6 and 7, a 1/2 inch iron rod found for corner;

THENCE North 38 degrees 53 minutes East, with the said Southeast line of Belmont Street, a distance

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of 200.00 feet to the PLACE OF BEGINNING and containing 34,801 square feet of land, more or less.

NOTE: THE COMPANY DOES NOT REPRESENT THAT THE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

SCHEDULE B**EXCEPTIONS FROM COVERAGE**

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. ~~The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):~~
2. **Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.** [Note: Refer to Schedule C, No. 5].
3. **Homestead or community property or survivorship rights, if any, of any spouse of any insured.**
(Applies to the Owners Policy only.)
4. **Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,**
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans. or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across the area.
(Applies to Owner Policy only.)
5. **Standby fees, taxes and assessments by any taxing authority for the year 2004, and subsequent years. The Company insures that standby fees, taxes and assessments for the year 2004 are not yet due and payable.**
6. **The terms and conditions of the documents creating your interest in the land.**
7. **Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgage Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence to us before a binder is issued.)**

8. **Liens and leases** that affect the title to the estate or interest, but that are subordinate to the lien of the insured mortgage. (Applies to the Mortgagee Policy (T-2) only).
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters. **(The Company must insert matters or delete this exception):**

Easements, or claims of easements, which are not recorded in the public records. (Owners Policy only).

- a. **Short Form Lease Agreement** by and between TRANSLAND MANAGEMENT COMPANY, as Lessor; and KWIK-WASH LAUNDRIES, INC., as Lessee, dated January 6, 1978, filed January 13, 1978, recorded in Volume 78010, Page 412 of the Deed Records of Dallas County, Texas; together with Special Agreement recorded in Volume 86247, Page 1251 of the Deed Records of Dallas County, Texas; together with Subordination, Attornment and Nondisturbance Agreement recorded in Volume 96191, Page 3132 of the Deed Records of Dallas County, Texas.
- b. **Any portion** of subject property lying within the right-of-way of any road, public or private.
- c. **Rights of tenants** in possession, as tenants only, under any unrecorded leases or rental agreements.
- d. **Those liens** created at closing, if any, pursuant to your instructions.
- e. **Rights of parties** in possession. (Owner Policy only.)

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SCHEDULE C

Your policy will not cover loss, costs, attorney's fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us, and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - there is legal right of access to and from the land.
 - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. The Company will amend item 2 on Schedule "B" (known as the "Survey Exception") to delete all language except for "shortages in area", subject to satisfaction of the following requirements: (i) receipt of a current survey acceptable to the Company; and, (ii) payment of all expenses in connection with the survey; and, (iii) payment of the additional promulgated premium if this coverage is requested on an owner policy; and, (iv) the inclusion of additional exceptions, and/or the addition of promulgated express insurance language, on Schedule "B" as deemed necessary by the Company following its review of the survey.
6. As to the Mortgagee policy only, upon satisfactory proof of payment of 2003 taxes, and upon payment of appropriate premium, Item 3, Schedule B, may, upon request of lender, be amended to read in its entirety: "STANDBY FEES, TAXES AND ASSESSMENTS BY ANY TAXING AUTHORITY FOR THE YEAR 2004 AND SUBSEQUENT YEARS, AND SUBSEQUENT TAXES AND ASSESSEMENTS BY ANY TAXING AUTHORITY FOR PRIOR YEARS DUE TO CHANGE IN LAND USAGE OR OWNERSHIP. THE COMPANY INSURES THAT STANDBY FEES, TAXES AND ASSESSMENTS FOR THE YEAR 2004 ARE NOT YET DUE AND

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PAYABLE." Additionally as to the Mortgagee policy only, upon payment of the appropriate premium and underwriting approval, the phrase "AND SUBSEQUENT TAXES AND ASSESSMENTS BY ANY TAXING AUTHORITY FOR PRIOR YEARS DUE TO CHANGE IN LAND USAGE OR OWNERSHIP" may, upon request of lender, be deleted from Item 3, Schedule B."

7. *Release in file to be recorded at closing*
Vendor's Lien retained in Deed dated September 27, 1996, filed September 27, 1996, recorded in Volume 96191, Page 3090 of the Deed Records, from PARC RIVIERA JOINT VENTURE III, to JOSE AYALA AND MARTHA E. AYALA, securing the payment of one note in the principal amount of \$40,000.00, bearing interest and payable as therein provided to the order of PARC RIVIERA JOINT VENTURE III, and additionally secured by a Deed of Trust of even date therewith in favor of DAVID C. YOUNG, Trustee, recorded in Volume 96191, Page 3126 of the Deed of Trust Records of Dallas County, Texas.

8. Ascertain who is authorized to act in behalf of record owner.
9. We are to be furnished with a survey, complete with the correct metes and bounds description of the subject property, made by a Licensed Public Surveyor of the State of Texas, suitable to this Title Company. When same is submitted it is to be returned to your examiner for inspection and approval.
10. "The policy(ies) anticipated by this Commitment contain provisions relative to the use of Arbitration in the settlement of claims. These provisions may be deleted without cost upon written request by the insured prior to the issuance of the policy(ies).
11. Note to all Buyers, Sellers, Borrowers, Lenders and all parties having a vested interest in the transaction covered by this Commitment. The following constitutes a MAJOR CHANGE in the procedures and requirements for disbursement of funds by the Title Agent pursuant to this transaction: Effective August 1, 1988, the State Board of Insurance has adopted Procedural Rule P-27 which will require that "Good Funds" be received and deposited before a Title Agent may disburse from its Trust Fund account. "Good Funds" is defined as; (1) Cash or Wire Transfers; (2) Certified funds, including certified checks and cashiers checks; (3) Uncertified funds in amounts less than \$1,500.00, including checks, travelers checks, money orders and negotiable orders of withdrawal; provided multiple items shall not be used to avoid the \$1,500.00 limitation; and (4) Uncertified funds in amounts of \$1,500.00 or more, drafts, and any other item when collected by the Financial Institution. For the benefit of all parties, The Company has adopted a policy that uncertified funds, in the aggregate, may not exceed the sum of \$500.00.

FIDELITY NATIONAL TITLE AGENCY, INC.


(Authorized Countersignature)

Countersigned at:  Texas

CONTRACT FOR SALE OF GOVERNMENT REAL PROPERTY

Seizure Number IRS 2004-7406-500001-01-001

Address: 5222 & 5130 Belmont Avenue, Dallas, TX 75206

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____ ("Buyer") and EG&G Technical Services, acting as an agent of the Government with respect to this sale of this Government real property and on behalf of the **Internal Revenue Service** ("Seller") agree as follows:

1. Buyer hereby agrees to purchase from Seller and Seller hereby agrees to sell to Buyer for the Purchase Price set forth below that certain parcel of real estate described on Exhibit A attached hereto (the "Real Estate").
2. Seller acknowledges receipt of Cashier's Check deposit as described in Exhibit B (the "Deposit") from Buyer.
3. The purchase price for the Real Estate is \$_____ (the "Purchase Price") payable in cash, of which the Deposit shall be applied thereto. The Deposit shall be held by the Seller, in a non-interest bearing account, pending closing of transaction. Buyer agrees this final offer has no contingencies.
4. Closing will be held on or before _____, 20_____.
The Seller may at its discretion extend the closing date to effect clear title.
5. If the Buyer fails to perform this contract within the time herein specified, time being of the essence in this agreement, the Buyer shall be in default, and the Deposit made by the Buyer shall be forfeited to the Seller as liquidated damages. Failure to obtain financing or refusal of wife or husband of Buyer to execute the required documents hereunder does not relieve the Buyer of his/her legal liability to complete the sale. In the event of default, Seller reserves the right to unilaterally and automatically cancel escrow with no further instruction or approval from Buyer. Buyer and Seller acknowledge this instruction and hereby indemnify and release Seller and its agents from any and all liability.
6. All lien releases with respect to the Real Estate must be signed and filed prior to closing. If said releases are not perfected by the Seller, this contract shall be deemed null and void. In the event of such occurrence, or damage to the Real Estate as a result of a natural disaster, Seller reserves the right to cancel the sale and refund the Deposit. Buyer agrees to hold harmless the Seller and its agents from any and all claims or actions associated herewith.

7. Prior to closing, the Seller shall have issued a commitment for title insurance by a reputable title insurance company, agreeing to insure marketable title to the Real Estate.
8. Upon the filing of all lien releases, the Seller will convey Real Estate title to the Buyer at closing by **Special Warranty Deed**, free and clear of all encumbrances or liens except restrictions of record.
9. All closing costs, including, without limitation, transfer taxes, documentary stamps, intangible taxes and similar taxes or charges, recording fees and escrow fees shall be paid by Buyer and Seller in accordance with the customs of the county in which the property is located. In the event Buyer desires title insurance, it will be at the Buyer's expense.
10. All adjustments of taxes, rents or other items with respect to the Real Estate are to be made on a prorata basis as of the closing date, when applicable. THERE WILL BE NO CREDITS GIVEN FOR SECURITY DEPOSITS.
11. The words "Buyer" and "Seller" herein employed shall include their heirs, administrators, executors, and successors, and said words, and any pronouns relative thereto, shall include the masculine, feminine, and neuter gender, and the singular and plural number, wherever the context so admits or requires.
12. The Real Estate is being sold in "As-Is" condition with all faults. The Seller has disclosed all known defects with the Real Estate and makes no warranties or guarantees either expressed or implied. The Buyer states he has personally inspected the Real Estate and acknowledges that by entering into this contract the Buyer is agreeing to accept the property in "As-Is" condition. All information in the brochure was derived from sources believed correct, but is not guaranteed. Buyer acknowledges that he/she relied entirely on his/her own information, judgment, and inspection of the Real Estate and available resources.
13. The Buyer may coordinate with the Seller for access to the Real Estate prior to closing for surveyors and/or appraisers at the Buyer's expense.
14. This Agreement shall constitute the entire agreement of the parties concerning the purchase and sale of the Real Estate and shall supersede and replace any all-prior agreements, whether written or oral, except for information set forth in the Terms and Conditions of Sale.

15. This sale is subject to the approval or rejection of the Seller.

16. Executed in triplicate with:
- ☐ Exhibit A: Legal Description
 - ☐ Exhibit B: Deposit
 - ☐ Exhibit D: Lead Based Paint
 - ☐ Exhibit E: Puerto Rico
 - ☐ Exhibit F: Back Taxes

WITNESS TO SIGNATURE
OF BUYER

ABOVE OFFER HEREBY
CONFIRMED

(BUYER)

(BUYER)

ACCEPTED AND APPROVED THIS _____ DAY OF _____, 20____

WITNESS TO
SIGNATURE OF SELLER

Internal Revenue Service

Exhibit A

LEGAL DESCRIPTION

Sale No.: 05-66-844
Seizure No.: 2004-7406-500001-01-001
Parcel ID: 00000192328000000 & 00000192325000000
Property Description: Apartment Complex
Property Address: 5222 & 5130 Belmont Avenue
Property City/State/Zip Code: Dallas, Texas 75206

Legal Description:

TRACT 1:

Being LOTS 3, 4, 5 and 6 in BLOCK C, CITY BLOCK 1993, of BON VIEW PLACE, an Addition to the City of Dallas, Dallas County, Texas, according to the Plat recorded in Volume 1, Page 43, Map Records, Dallas County, Texas, and being more particularly described as follows;

BEGINNING at a point in the Southeast line of Belmont Street, (a 50 foot R.O.W.), said point being South 38 degrees 53 minutes West, a distance of 200.00 feet from the intersection of the said Southeast line of Belmont Street with the Southwest line of N. Henderson Avenue, (a 50 foot R.O.W.), said point also being the most Northerly corner of said Lot 6, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the common line of Lots 6 and 7, a distance of 200.00 feet to a point in the Northwest line of a 20 foot alley, said point being the most Easterly corner of said Lot 6, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the Northwest line of said 20 foot alley, a distance of 400.00 feet to the most Southerly corner of said Lot 3, a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 00 minutes West, with the common line of Lots 2 and 3, a distance of 200.00 feet to a point in the said Southeast line of Belmont Street, said point being the most Westerly corner of said Lot 3, a 1/2 inch iron rod found for corner;

THENCE North 38 degrees 53 minutes East, with said Southeast line of Belmont Street, a distance of 400.00 feet to the PLACE OF BEGINNING and containing 79,544 square feet of land, more or less.

TRACT 2:

Being LOT 7 and part of LOT 8, BLOCK C, CITY BLOCK 1993, of BON VIEW PLACE, an Addition to the City of Dallas, Dallas County, Texas, according to the plat recorded in Volume 1, Page 43, Map Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at the intersection of the Southeast line of Belmont Street, (a 50 foot R.O.W.), with the Southwest line of N. Henderson Avenue, a 50 foot R.O.W.), said point being the most Northerly corner of said Lot 8, a 1/2 inch iron rod found for corner;

THENCE South 45 degrees 00 minutes East, with the said Southwest line of N. Henderson Avenue, a distance of 150.00 feet, to the Northeast corner of a tract of land conveyed to Lynda P. Demoss by deed recorded in Volume 89251, Page 3462, Deed Records, Dallas County, Texas, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the North line of said Demoss tract, a distance of 100.00 to a point in common line of Lot 7 and 8, a 1/2 inch iron rod found for corner;

EXHIBIT "A"

THENCE South 45 degrees 00 minutes East, with the common line of Lots 7 and 8, a distance of 50.00 feet to a point in the Northwest line of a 20 foot alley, same being the common Easterly corner of said Lots 7 and 8, a 1/2 inch iron rod found for corner;

THENCE South 38 degrees 53 minutes West, with the Northwest line of said 20 foot alley, same being with the Southeast line of said Lot 7, a distance of 100.00 feet to the most Southerly corner of said lot 7, a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 00 minutes West, with the common line of Lots 6 and 7, a distance of 200.00 feet to a point in the said Southeast line of Belmont Street, said point being the common Westerly corner of Lots 6 and 7, a 1/2 inch iron rod found for corner;

THENCE North 38 degrees 53 minutes East, with the said Southeast line of Belmont Street, a distance of 200.00 feet to the PLACE OF BEGINNING and containing 34,801 square feet of land, more or less.

NOTE: THE COMPANY DOES NOT REPRESENT THAT THE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

Exhibit B

DEPOSIT

Full earnest money deposit is _____ (\$_____).

EG&G Technical Services, acting as an agent of the Government with respect to this sale of this Government real property and on behalf of the Internal Revenue Service acknowledges receipt of Cashier's Check in the sum of _____

(\$_____) Dollars, as Initial Deposit.

The Balance of the Full Earnest Money Deposit is _____

(\$_____) and must be received by Seller on or before _____.

Initial Deposit (Check No.): _____

Balance Deposit by: _____

RECEIPT OF DEPOSIT AS HEREIN STATED

By _____

Print Name

Signature

Date

WIRING INSTRUCTIONS

Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675
Routing No: (ABA) 071-000-152

With Final Credit to:
EG&G Technical Services
Account No: 24171
Ref: Property Address

Exhibit D

LEAD BASED PAINT

Said property was constructed prior to 1978 and may contain lead-based paint. Disclosure of Information on Lead-Based Paint Hazards is attached hereto and hereby incorporated in this Contract as if more fully set herein. Buyer acknowledges he/she has received, read, and understands the information provided and agrees to assume all liability for abatement of any potential hazard. Furthermore, Buyer agrees to release, hold harmless, and indemnify the United States Government, Department of the Treasury, the U.S. Customs Services, its officers, employees, and agents, and EG&G Technical Service, its officers, employees, and agents, from any and all claims, demands, damages, causes of action or suits, environmental cleanup costs, that might now exist or hereafter exist by reason of, or growing out of, or affecting, directly or indirectly, the condition, sale, or re-sale of the said property.

Purchaser Initial _____ Purchaser Initial _____ Seller Initial _____

CONTRACT FOR SALE OF GOVERNMENT REAL PROPERTY

Back-up Bidder

Seizure Number: IR 2004-7406-500001-01-001

Address: 5222 & 5130 Belmont Ave, Dallas, TX 75206

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____ ("Back-up Bidder") and EG&G Technical Services, acting as an agent of the Government with respect to this sale of this Government real property and on behalf of the **Internal Revenue Service** ("Seller") agree as follows:

1. Back-up Bidder hereby agrees to purchase from Seller and Seller hereby agrees to sell to Back-up Bidder for the Back-up Purchase Price set forth below that certain parcel of real estate described on Exhibit A attached hereto (the "Real Estate"), in the event of a default by the High Bidder.
2. Seller acknowledges receipt of Cashier's Check deposit as described in Exhibit B (the "Deposit") from Back-up Bidder.
3. Deposit shall be held by the Seller, in a non-interest bearing account, until Full Earnest Money Deposit is received from the High Bidder. In the event Full Earnest Money Deposit is not received from the High Bidder within the time specified, the Back-up Bidder will become the Buyer ("Buyer") at the back-up bid price of \$_____ (the "Back-up Purchase Price") payable in cash, of which the Deposit shall be applied thereto. Back-up Bidder agrees this final offer has no contingencies.
4. Closing will be held on or before _____, 20_____.
The Seller may at its discretion extend the closing date to effect clear title.
5. If the Buyer fails to perform this contract within the time herein specified, time being of the essence in this agreement, the Buyer shall be in default, and the Deposit made by the Buyer shall be forfeited to the Seller as liquidated damages. Failure to obtain financing or refusal of wife or husband of Buyer to execute the required documents hereunder does not relieve the Buyer of his/her legal liability to complete the sale. In the event of default, Seller reserves the right to unilaterally and

automatically cancel escrow with no further instruction or approval from Buyer. Buyer and Seller acknowledge this instruction and hereby indemnify and release Seller and its agents from any and all liability.

6. All lien releases with respect to the Real Estate must be signed and filed prior to closing. If said releases are not perfected by the Seller, this contract shall be deemed null and void. In the event of such occurrence, or damage to the Real Estate as a result of a natural disaster, Seller reserves the right to cancel the sale and refund the Deposit. Buyer agrees to hold harmless the Seller and its agents from any and all claims or actions associated herewith.

7. Prior to closing, the Seller shall have issued a commitment for title insurance by a reputable title insurance company, agreeing to insure marketable title to the Real Estate.

8. Upon the filing of all lien releases, the Seller will convey Real Estate title to the Buyer at closing by **Special Warranty Deed**, free and clear of all encumbrances or liens except restrictions of record.

9. All closing costs, including, without limitation, transfer taxes, documentary stamps, intangible taxes and similar taxes or charges, recording fees and escrow fees shall be paid by Buyer and Seller in accordance with the customs of the county in which the property is located. In the event Buyer desires title insurance, it will be at the Buyer's expense.

10. All adjustments of taxes, rents or other items with respect to the Real Estate are to be made on a prorate basis as of the closing date, when applicable. THERE WILL BE NO CREDITS GIVEN FOR SECURITY DEPOSITS.

11. The words "Buyer" and "Seller" herein employed shall include their heirs, administrators, executors, and successors, and said words, and any pronouns relative thereto, shall include the masculine, feminine, and neuter gender, and the singular and plural number, wherever the context so admits or requires.

12. The Real Estate is being sold in "As-Is" condition with all faults. The Seller has disclosed all known defects with the Real Estate and makes no warranties or guarantees either expressed or implied. The Buyer states he has personally inspected the Real Estate and acknowledges that by entering into this contract the Buyer is agreeing to accept the property in "As-Is" condition. All information in the brochure was derived from sources believed correct, but is not guaranteed. Buyer acknowledges that he/she relied entirely on his/her own information, judgment, and inspection of the Real Estate and available resources.

13. The Buyer may coordinate with the Seller for access to the Real Estate prior to closing for surveyors and/or appraisers at the Buyer's expense.

14. This Agreement shall constitute the entire agreement of the parties concerning the purchase and sale of the Real Estate and shall supersede and replace any all-prior agreements, whether written or oral, except for information set forth in the Terms and Conditions of Sale.

15. This sale is subject to the approval or rejection of the Seller.

16. Executed in triplicate with:
☐ Exhibit A: Legal Description
☐ Exhibit B: Deposit
☒ Exhibit D: Lead Based Paint
☒ Exhibit E: Puerto Rico
☐ Exhibit F: Back Taxes

WITNESS TO SIGNATURE
OF BUYER

ABOVE OFFER HEREBY
CONFIRMED

(BUYER)

(BUYER)

ACCEPTED AND APPROVED THIS _____ DAY OF _____, 20____

WITNESS TO
SIGNATURE OF SELLER

Internal Revenue Service

Exhibit B

DEPOSIT

EG&G Technical Services, acting as an agent of the Government with respect to this sale of this Government real property and on behalf of the **Internal Revenue Service** , acknowledges receipt of Cashier's Check in the sum of _____ (\$ _____) Dollars, as deposit. Check/Wire Number: _____

RECEIPT OF DEPOSIT AS HEREIN STATED

By _____
Print Name

Signature

Date

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made this _____ day of _____, 200____ by and between (name of Agency) whose mailing address is _____, as Grantor, and (Insert Name of Buyer) whose address is (Insert address) _____, as Grantee(s).

WITNESSETH: that the Grantor, for and in consideration of the sum of \$(Insert amount in number and words), lawful money of the United States of America, to it in hand paid by the Grantee(s), the receipt whereof is hereby acknowledged, does grant, bargain, sell, and convey to the Grantee(s), all of the following described property situated in _____ to wit;

SEE ATTACHED EXHIBIT "A"
(Insert Legal Description of Property)

TO HAVE AND TO HOLD the above described premises, with the appurtenances, unto Grantee(s), his successors and assigns, in fee simple forever.

THE GRANTOR covenants to **pecially warrant** the title to the property against any claim arising from the case of The United States of America vs. (name of court Order and case number) in the United States District Court, District of (name and state). The United States has done nothing to encumber the property nor has it conveyed any right, title or interest while owner of the property.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in its name and seal, by its proper officer thereunto duly authorized the day and year first above written.

SEAL

UNITED STATES OF AMERICA
ACTING BY AND THROUGH THE
(name of Agency)

BY: _____
Name of Agent
Title
Agency
Address
Case No.

Signed and Sealed In Our Presence

Witness

Witness

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me the _____ day of _____, 200____, by
NAME OF AGENT, TITLE AND AGENCY.

WITNESS my hand and official seal.

Notary Public

Sample Copy

(INSERT CASE NUMBER AND PROPERTY ADDRESS)

INDEMNIFICATION AGREEMENT

WHEREAS, the Secretary of the Treasury of the United States is authorizing by statute 31 U. S. C 9703 (1) to warrant title to a purchaser of forfeited property and this authority has been delegated to the (NAME OF AGENCY); and

WHEREAS, the following described property was forfeited to the United States of America on (DATE), pursuant to U.S. vs. (Case Name and Number)

(SEE EXHIBIT "A" FOR LEGAL DESCRIPTION)

WHEREAS, the United States **SPECIALLY WARRANTS** its title against defects or clouds arising out of the forfeiture process and holds the buyer harmless as a result of such defects in title or clouds involving the propriety of the forfeiture of the property.

NOW THEREFORE, the United States of America hereby agrees that in the event a court, in a final judgment rules that the United States did not acquire valid legal title to the real property through the forfeiture process and therefore was not able to convey clear title to the buyer, to the extent of available appropriations, the United States will refund the buyer or his or her title company the amount of the purchase price of the property, plus the value of any improvements made to the property by the buyer, plus an interest earned on that amount from the date of purchase of the property by the buyer to the date of final judgment, however, that the United States of America be allowed to defend against such claim before acceding to it. The buyer shall tender any claim made upon them to the United States to defend as soon as the claim arises and prior to incurring any expenses to defend such a claim. Payment of any refund or claim will be paid out the Treasury Forfeiture Fund.

The United States by it **SPECIAL WARRANTY DEED** does not warrant the title of the prior owner of the property whom acquired title before the forfeiture.

Agency Representative
Title

DATE

Agency District
Agency Address

The parties hereto waive production of conveyance, mortgage and other certificates and relieve and release me, Notary, from any and all responsibility in connection therewith.

Before the undersigned authority, this day, personally appeared **(NAME OF AGENT, TITLE)**, who acknowledged to me that he executed the foregoing instrument for the purpose and consideration therein expressed.

WITNESS my hand and official seal at _____

This _____ day of _____ 200_____.

Notary Public

My commission expires: _____